

December 9, 2013

VIA ELECTRONIC FILING

Jocelyn Boyd, Chief Clerk / Administrator
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, SC 29211

Bonnie D. Shealy
1901 MAIN STREET, SUITE 1200
POST OFFICE BOX 944
COLUMBIA, SOUTH CAROLINA 29202
PH
(803) 779-8900 | (803) 227-1102 *direct*
FAX
(803) 744-1551
bshealy@robinsonlaw.com

**Re: Time Warner Cable Information Services (South Carolina), LLC
Application for Designation as an Eligible Telecommunications Carrier**

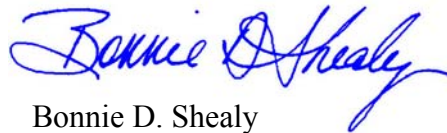
Dear Jocelyn:

Enclosed for filing please find the Application of Time Warner Cable Information Services (South Carolina), LLC, doing business as Time Warner Cable, ("TWCIS") for designation as an eligible telecommunications carrier in South Carolina. TWCIS seeks the designation for the purpose of receiving federal low-income universal service support to provide Lifeline service. TWCIS does not seek the ETC designation for the purpose of receiving federal support from the high-cost support mechanism. We are providing a copy of the application to the Office of Regulatory Staff by copy of this letter.

If you have any questions, please have someone on your staff contact me.

Very truly yours,

ROBINSON, MCFADDEN & MOORE, P.C.


Bonnie D. Shealy

/bds
Enclosures

cc/enc: Mr. Dan F. Arnett, ORS Chief of Staff (via U.S. Mail)
Nanette Edwards, Esquire (via email)
Julie P. Laine, Group VP & Chief Counsel, Regulatory (via email)

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

**APPLICATION OF TIME WARNER CABLE INFORMATION SERVICES
(SOUTH CAROLINA), LLC FOR DESIGNATION AS AN ELIGIBLE
TELECOMMUNICATIONS CARRIER FOR THE PURPOSE OF OFFERING
LIFELINE SERVICE**

I. INTRODUCTION

Time Warner Cable Information Services (South Carolina), LLC, doing business as Time Warner Cable (“TWCIS (SC) or “Company”), respectfully submits this Application for Designation as an Eligible Telecommunications Carrier (“ETC”) for the purpose of offering Lifeline service. TWCIS (SC) submits this Application pursuant to Section 214(e)(2) of the federal Communications Act of 1934, as amended (the “Act”),¹ Section 54.101 *et seq.* of the rules of the Federal Communications Commission (“FCC”),² and South Carolina Code of Regulations Sections 103-690 TWCIS(SC) will not seek access to funds from the federal Universal Service Fund (“USF”) for the purpose of providing service to high cost areas.³

As demonstrated by this Application, and as certified by Julie P. Laine, Group Vice President & Chief Counsel, Regulatory for Time Warner Cable, Inc. in the Affidavit and Certification attached as **Exhibit 1**, TWCIS(SC) meets all the statutory and regulatory

¹ 47 U.S.C. § 214(e)(2).

² 47 C.F.R. § 54.101 *et seq.* In February 2012, the FCC amended its rules applicable to the Lifeline program. This Application is consistent with the ETC designation requirements as amended. *See Lifeline and Link Up Reform and Modernization*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

³ Since TWICS(SC) seeks only Lifeline support from the low-income program and does not seek any high cost support, ETC certification requirements for the high-cost program are not applicable to the Company.

requirements for designation as an ETC in the State of South Carolina. TWCIS (SC) respectfully requests that the Commission grant this Application expeditiously, so that low-income customers in South Carolina can benefit from the high-quality services TWCIS (SC) provides without delay.

Correspondence and communications pertaining to this Application should be directed to the Company's attorneys of record:

Frank R. Ellerbe, III
Bonnie D. Shealy
ROBINSON, MCFADDEN, AND MOORE, PC
1901 Main St., Suite 1200
Post Office Box 944
Columbia, S.C. 29202
Telephone: (803) 779-8900
Facsimile: (803) 252-0724
FEllerbe@Robinsonlaw.com
BShealy@Robinsonlaw.com

With a copy to:

Julie P. Laine
Group Vice President & Chief Counsel, Regulatory
TIME WARNER CABLE INC.
60 Columbus Circle
New York, NY 10023
Telephone: (212) 364-8482
Facsimile: (704) 973-6239
julie.laine@twcable.com

II. UNIVERSAL SERVICE OFFERING

A. Company Overview

Time Warner Cable. TWCIS (SC) is a wholly owned subsidiary of Time Warner Cable Inc. ("TWC"). TWC is the second-largest cable operator in the United States, with operations in 29 states and more than 15 million residential and commercial customers (including approximately 5 million residential voice subscribers). In addition to its digital cable and broadband services, TWC offers interconnected Voice-over Internet Protocol ("VoIP") services

throughout its 29-state footprint through various subsidiaries. Indeed, TWC was the first multi-system cable operator—and one of the first service providers—to introduce a mass-market, facilities-based VoIP service, now known as Home Phone, bringing a reliable, feature-rich, competitive voice alternative to millions of residential consumers.

TWCIS (SC). TWCIS (SC) is a Delaware limited liability company authorized to provide telecommunications services in South Carolina, and more specifically throughout the requested ETC area, pursuant to a Certificate of Public Convenience and Necessity (“CPCN”) issued by this Commission.⁴ TWCIS (SC)’s principal offices are located at 60 Columbus Circle, New York, NY 10023. TWCIS (SC) is not designated as an ETC in any other jurisdiction, but another TWC telecommunications carrier subsidiary is designated as an ETC in New York.⁵ Another subsidiary has applied for ETC designation status in Maine,⁶ and additional TWC subsidiaries plan to seek ETC designations from relevant state commissions.

When TWC first began providing retail voice service in South Carolina using its interconnected VoIP capabilities, it did so by obtaining interconnection and exchanging traffic with incumbent local exchange carriers (“ILECs”) through commercial arrangements with a third-party telecommunications carrier. TWC is now in the process of transitioning to a more efficient and cost-effective business model under which it relies on TWCIS (SC) to interconnect and exchange traffic with ILECs. In addition to carrying out wholesale carrier functions relating to interconnection with the public switched telephone network (“PSTN”), TWCIS (SC) provides retail interconnected VoIP service as a telecommunications service pursuant to its CPCN.

⁴ See Commission Order Nos. 2004-213, 2005-385(A), 2009-356(A), 2011-393, and 2011-507.

⁵ *Petition of Time Warner Cable Information Services (New York), LLC for Modification of Its Existing Eligible Telecommunications Carrier Designation*, Order Approving Designation as a Lifeline-Only Eligible Telecommunications Carrier, Case No. 12-C-0510 (Mar. 14, 2013).

⁶ *Telecommunications Carriers Eligible to Receive Universal Service Support*, Petition of Time Warner Cable Information Services (Maine), LLC for Designation as a Lifeline-Only Eligible Telecommunications Carrier in the State of Maine, WC Docket No. 09-197 (July 22, 2013).

TWCIS (SC) also provides high-capacity transport offerings to wireless carriers and to enterprise customers in South Carolina.

On November 13, 2012, TWC filed a Petition for Forbearance with the Federal Communications Commission (“FCC”) in connection with TWC’s and its subsidiaries pending and future applications for designation as an ETC to participate in the Lifeline program. TWC petitioned the FCC to forbear from enforcing 47 U.S.C. § 214(e)(5) and 47 C.F.R. § 54.207’s requirements that the service area of an ETC conform to the service area of any rural telephone company serving the same area. The Petition is attached as **Exhibit 2**. The FCC issued its *Memorandum Opinion and Order* on April 15, 2013, granting forbearance to any ETC that has been designated by a state or the FCC and pending and future requests by ETC designees to participate only in the Lifeline program.⁷ The *TWC Forbearance Order* is attached as **Exhibit 3**.

TWCIS (SC) attaches as **Exhibit 4** a current list of its officers, along with biographical information for each, showing that it has the expertise necessary to provide the services specified herein. TWCIS (SC) will continue to rely on its innovative and reliable network infrastructure and service expertise to support and further develop its operations.

Questions concerning the ongoing operations or compliance matters for TWCIS(SC) following ETC designation should be directed to:

Olivia Hill, Senior Paralegal
Time Warner Cable
13820 Sunrise Valley Drive
Herndon, VA 20171
(703) 713-6732
twc.regulatory.complaints@twcable.com

⁷ See *Time Warner Cable Inc. Petition for Forbearance*, Memorandum Opinion and Order, FCC 13-44 (Apr. 15, 2013) (“*TWC Forbearance Order*”).

B. Scope of Designation Request

TWCIS (SC) seeks ETC designation in order to receive Lifeline support from the federal USF for the benefit of low-income customers. TWCIS (SC) seeks ETC designation throughout each of TWC's franchise areas in South Carolina where TWCIS(SC) is certificated by the Commission to provide local exchange services. For the reasons set forth below, designating TWCIS (SC) as an ETC throughout the requested service area will serve the public interest, convenience and necessity.

TWCIS (SC)'s service area in South Carolina includes portions of a number of rural ILECs' study areas, including those of Alltel South Carolina, Inc.; Farmers Telephone Cooperative, Inc.; Fort Mill Telephone Company; Home Telephone Co., Inc.; PBT Telecom, Inc.; Rock Hill Telephone Co.; and Sandhill Telephone Cooperative, Inc. As noted above, TWC has successfully sought and obtained forbearance from the requirement to serve the entirety of a rural telephone company's study area or to obtain approval to modify the service area boundaries in connection with its subsidiaries' Lifeline-only ETC petitions.⁸ That grant of forbearance obviates the need for TWCIS (SC) to conform its ETC service area to rural ILECs' study area boundaries or to obtain an order modifying such boundaries.

C. Proposed Lifeline Offering

TWCIS (SC) will apply a uniform Lifeline discount to residential voice service plans offered pursuant to TWCIS(SC) South Carolina Tariff Number 1, including all promotional service plans. A Lifeline customer will be able to apply the Lifeline discount to TWCIS(SC)'s stand-alone voice offerings or to the voice component of any bundled service plan., including all promotional service plans. If the Lifeline customer has a bundled service plan, TWCIS (SC) will

⁸ See *TWC Forbearance Order*, (holding that blanket forbearance from the requirement to serve the entirety of a rural telephone company's study area or to obtain formal approval to serve a modified service area "furthers the Act's and Commission's goals of ensuring the availability of voice service to low-income consumers").

apply the Lifeline discount only to the voice component of the bundle.

South Carolina Tariff Number 1 includes the following residential IP voice plans:

- **Digital Phone Service** (“Digital”) - Digital allows for unlimited local, intrastate and interstate toll calling for a flat monthly rate.
- **Digital Phone Unlimited SC** (“Digital Unlimited SC”) - Digital Unlimited SC allows for unlimited outbound local and intrastate calling. Interstate and international toll calling is available at an additional rate per minute. The Digital Unlimited SC options include a stand-alone voice option. Digital Unlimited SC customers do not have to be subscribers to Time Warner Cable’s cable modem and/or cable television service.
- **Digital Phone Local** (“Digital Local”) - Digital Local allows unlimited local calling. Intrastate, interstate and international calling is available at an additional rate per minute.

Detailed information on various service offerings and rates is available on-line in the TWCIS(SC) Tariff No. 1. See <http://www.timewarnercable.com/en/about-us/legal/regulatory-notice/state-tariffs.html> or TWCIS(SC) Tariff No. 1 on the Commission’s website at <http://etariff.psc.sc.gov/home/index.cfm>. TWCIS(SC) Tariff No. 1, pages 35, 35.1, 35.3-35.5 and 40-40.2.

Custom calling features such as Call Waiting, Caller ID, Call Waiting with Caller ID, Caller ID – Block Per Line, Caller ID- Block Per Call, Call Trace, Anonymous Call Reject, Call Forward, Three-Way Calling, Speed Dial, and Inbound/OutBound Call Restriction Options are included in these plans at no additional charge. The Lifeline customer will also have access to voicemail, directory assistance, and operator services. Consumers are able to access Lifeline plan information and terms and conditions via the company’s website at www.twc.com/lifeline.

TWCIS (SC) will not collect a service deposit for Lifeline plans that do not charge additional fees for toll calls or for which a subscriber has elected toll limitation service. TWCIS(SC) also will not charge Lifeline account holders a monthly number-portability fee.

D. Plan Enrollment and Prevention of Fraud, Waste and Abuse

TWCIS(SC) will comply with the uniform eligibility criteria established in the in the FCC's *Lifeline Reform Order* and section 54.409 of the FCC Rules, as well as S.C. Code Regs. 103-690.1(E)(a)(4) as modified by Commission Order No. 2012-234. TWCIS(SC) customers will be required to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; (2) the household's participation in one of the federal assistance programs listed in new section 54.409(a)(2); or (3) meeting eligibility criteria established by South Carolina for its residents, provided such criteria are based solely on income or factors directly related to income per new section 54.409(a)(3) of the FCC Rules. In addition, the Company will confirm that the subscriber is not already receiving a Lifeline service and no one else in the subscriber's household is subscribed to a Lifeline service.

TWCIS will produce SC-specific materials describing the Lifeline program and state-specific application materials in South Carolina available at each retail location and through direct sales representatives, by mail in response to requests made through TWCIS(SC) toll-free customer service telephone number or by website, and electronically through the website. TWCIS(SC) will certify and verify consumer eligibility to participate in the Lifeline program in accordance with Commission rules and FCC requirements. Detailed information about the procedures to ensure consumer eligibility, enrollment and certification are provided in **Exhibit 2**, Appendix B, p. 3-8. Additional measures to prevent waste, fraud and abuse are provided in **Exhibit 2**, Appendix B, p. 8-10. A sample enrollment and certification form is attached as **Exhibit 5**.

Also, in keeping with the FCC's efforts to reduce waste, fraud and abuse in the Lifeline program, TWCIS(SC) will collect a monthly charge from Lifeline customers to pay the balance

due for services after the Lifeline discount is applied. Thus, TWCIS(SC) Lifeline customers will receive monthly bills and have a regular billing relationship with the Company. This will ensure that they have appropriate incentives to use the service and to refrain from seeking duplicative benefits from TWCIS (SC).

The Company will use available state-level databases and the national database once it is operational to ensure that potential customers are not currently receiving a Lifeline service from any other carrier. TWCIS(SC) will promptly investigate any notification it receives from a state, the Commission, or USAC that one of its Lifeline customers is improperly receiving service.

III. COMMISSION HAS JURISDICTION TO DESIGNATE ETCs

Section 254(e) of the Act provides that “only an eligible telecommunications carrier designated under Section 214(e) shall be eligible to receive specific Federal universal service support.”⁹ Section 214(e)(2) of the Act provides that, upon request and consistent with the public interest, convenience, and necessity, the Commission may, in the case of an area served by a rural telephone company, and shall, in the case of all other areas, designate more than one common carrier as an ETC, provided the requesting carrier: (i) offers services that are supported by federal universal service support mechanisms using its own facilities or a combination of its own facilities and resale of another carrier’s services; and (ii) advertises the availability of such services and the charges therefore using media of general distribution.¹⁰ The FCC and this Commission impose additional requirements regarding ETC designation. As demonstrated herein, TWCIS (SC) satisfies each of these requirements.

⁹ 47 U.S.C. § 254(e).

¹⁰ 47 U.S.C. §§ 214(e)(1)-(2); *see also* 47 C.F.R. § 54.201(d).

IV. TWCIS (SC) SATISFIES THE STATUTORY AND REGULATORY REQUIREMENTS FOR ETC DESIGNATION

TWCIS (SC) satisfies each of the statutory and regulatory requirements set forth in the Act, as well as the rules of this Commission and the FCC.¹¹ TWCIS (SC) certifies that it is a common carrier,¹² that it will provide the services supported by federal universal service support mechanisms under Section 254(c) of the Act and as specified in Section 54.101(a) of the FCC's rules, and that it will offer these supported services throughout the areas in which it is designated as an ETC. TWCIS (SC) further certifies that it will offer the supported services using its own facilities and the same network infrastructure used to serve its existing customers. See **Exhibit 1**.

A. TWCIS(SC) Will Provide All Required Services And Functionalities.

TWCIS (SC) will offer all required services and functionalities. Section 214(e)(1)(A) of the Act¹³ requires an ETC to offer the services that are supported by federal universal service support mechanisms under section 254(c). Effective December 29, 2011, pursuant to the *USF/ICC Reform Order*¹⁴, as further clarified by the *USF/ICC Order on Reconsideration*¹⁵, the FCC eliminated its former list of nine supported services and amended section 54.101(a) of its rules to specify that “voice telephony service” is supported by the federal universal service

¹¹ See S.C. CODE REGS. §§ 103-690. See also 47 C.F.R. § 54.101 *et seq.*; *Lifeline Reform Order*.

¹² 47 U.S.C. § 153(11) defines a “common carrier” as “any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy”

¹³ 47 U.S.C. § 214(e)(1).

¹⁴ *In the Matter of Connect America Fund, A National Broadband Plan for Our Future, Establishing Just and Reasonable Rates for Local Exchange Carriers, High-Cost Universal Service Support, Developing an Unified Intercarrier Compensation Regime, Federal-State Joint Board on Universal Service, Lifeline and Link-Up, Universal Service Reform – Mobility Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (“*USF/ICC Reform Order*”).

¹⁵ *In the Matter of Connect America Fund*, WC Docket No. 10-90, GN Docket No. 09-51, WC Docket No. 07-135, WC Docket No. 05-337, CC Docket No. 01-92, CC Docket No. 96-45, WC Docket No. 03-109, WT Docket No. 10-208, Order on Reconsideration, FCC 11-189 (rel. Dec. 23, 2011) (“*USF/ICC Order on Reconsideration*”).

mechanisms. TWCIS(SC) offers all of the services and functionalities required by S.C. Code Regs. 103-690(C)(a) and Section 54.101(a) and 54.202(a) of the FCC Rules including the following:

1. Voice Grade Access to the Public Switched Telephone Network

“Voice grade access” permits an end user to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal that there is an incoming call. TWCIS (SC)’s customers will be able to place and receive calls on the PSTN.

2. Local Usage.

“Local usage” is an amount of exchange service usage provided without an additional charge to end users. TWCIS (SC) provides service plans that offer unlimited local and/or long-distance usage and numerous other benefits including caller ID, call waiting, three-way calling, and voicemail.¹⁶

3. Access to Emergency Services.

“Access to emergency services” includes access to services, such as 911 and enhanced 911 (“E-911”), provided by local governments or other public safety organizations. TWCIS (SC) provides its voice customers with such access, is capable of delivering automatic numbering information (“ANI”) and automatic location information (“ALI”) over its existing network, and otherwise satisfies applicable state and federal E-911 requirements—including those applicable to VoIP providers.¹⁷ Further, TWCIS (SC) pays all applicable E-911 fees in a timely manner. TWCIS (SC) will continue to work with local public safety answering points (“PSAPs”) within the designated service area to make 911 and E-911 service available to its

¹⁶ For additional information, see *infra* Section II(C).

¹⁷ See 47 C.F.R. § 9.1 *et seq.*

customers.

4. Toll Limitation.

“Toll limitation” includes the offering of either “toll control” or “toll blocking” to qualifying low-income customers, as a means of limiting or blocking the completion of outgoing toll calls. TWCIS (SC) will provide toll blocking for any service plans that distinguish between local and toll calls from a pricing standpoint. Some of TWCIS (SC)’s calling plans do not distinguish between local and toll calls at the point of dialing, such that TWCIS (SC) cannot offer toll limitation without blocking all service to a customer. Section 54.401(a)(2) of the FCC’s rules provides that toll limitation service is not necessary for any Lifeline service that does not distinguish between toll and non-toll calls in the pricing of the service.¹⁸

5. Other Services

Additionally, TWCIS(SC) offers its customers access to operator services, the ability to make “long distance” telephone calls, and access to directory assistance services.

B. TWCIS(SC) Will Meet the Additional Requirements for Designation Established by the Commission and the FCC’s Regulations.

TWCIS(SC) will comply with the requirements of FCC’s rules and regulations, and will comply with the South Carolina requirements for initial designation pursuant to S.C. Code Regs. 103-690 as illustrated below.

1. Commitment to Provide Service S.C. Code Regs. 103-690(C)(a)(1)(A)

Pursuant to Commission rules, an ETC applicant must certify that it will provide service throughout its proposed designated service area to all customers making a reasonable request for service. Section 103-690(C)(a)(1)(A)(1) requires an applicant to provide service “on a timely

¹⁸ 47 C.F.R. § 54.401(a)(2); *see also Lifeline Reform Order* ¶ 49.

basis” to customers within its existing network coverage. TWCIS (SC) will comply with this requirement.

Section 103-690(C)(a)(1)(A)(2) requires an applicant to “provide service within a reasonable period of time” to customers within its designated service area but outside its existing network coverage “if service can be provided at reasonable cost,”¹⁹ and mirrors an FCC rule revised by the *Lifeline Reform Order*. Former FCC rule Section 54.202(a)(1)(i)(B) required ETC applicants to certify that they would take specific steps to provide service to customers outside of the applicant’s network coverage.²⁰ TWCIS (SC) respectfully requests that the Commission waive the current requirement set forth in Section 103-690(C)(a)(1)(A)(2), because: (i) the requirement in former FCC rule Section 54.202(a)(1)(i)(B) is no longer effective;²¹ and (ii) this requirement makes little sense for Lifeline-only providers because the focus of the Lifeline program is to provide discounts to low-income customers, not to extend the reach of telecommunications networks.

2. Advertising and Outreach Program

S.C. Code Regs. § 103-690(C)(a)(1)(C) and (C)(a)(7)

TWCIS (SC) will advertise the availability of the supported services detailed above, and the corresponding rates and charges, throughout its designated service area as required by 47 U.S.C.A. § 214(e)(1)(B), S.C. Code Regs. § 103-690(C)(a)(7) and 47 C.F.R. § 54.201(d)(2) and in accordance with the requirements of the *Lifeline Reform Order*. The company will advertise using media of general distribution in a manner designed to inform those likely to qualify for Lifeline service and the general public. TWCIS(SC) certifies via the Affidavit attached as **Exhibit 1** that it will comply with the requirements of S.C. Code Regs. § 103-690(C)(a)(7).

¹⁹ S.C. CODE REGS. § 103-690(C)(a)(1)(A)(1).

²⁰ 47 C.F.R. § 54.202(a)(1)(i)(B) (2011).

²¹ See 47 C.F.R. § 54.202(a)(1)(i) (2013).

The FCC adopted specific requirements for Lifeline advertising in its *Lifeline Reform Order* with which the Company will comply. TWCIS(SC) will include the following information regarding its Lifeline service on all marketing materials describing the service: (1) it is a Lifeline service, (2) Lifeline is a government assistance program, (3) the service is non-transferable, (4) only eligible consumers may enroll in the program, (5) the program is limited to one discount per household; (6) documentation necessary for enrollment; (7) TWCIS(SC) name (the ETC); and (8) notice that consumers who willfully make a false statement in order to obtain the Lifeline benefit can be punished by fine or imprisonment or can be barred from the program.²² These statements will be included in all print, audio, video and web materials used to describe or enroll customers in the Company's Lifeline service offering, as well as the Company's application forms and certification forms. This specifically includes the Company's website and other marketing materials.²³ Attached as **Exhibit 6** is a sample of the Company's advertising materials.

For carriers like TWCIS(SC) who are not seeking High Cost Support from the USF, but are seeking ETC designation to participate in the Lifeline program, the Commission does not require a two-year network improvement plan to be filed. Instead, the Commission requires a Lifeline-only ETC applicant to submit a two-year plan that describes the carrier's plans for advertising and outreach programs for identifying, qualifying, and enrolling eligible Lifeline participants.²⁴ Specifically, TWCIS(SC) will utilize outreach materials and methods designed to reach households that currently do not have telephone service, will develop advertising materials for non-English speaking populations within its service area, and will coordinate its outreach efforts with relevant government agencies. TWCIS (SC) submits this plan as **Exhibit 7**.

²² *Lifeline Reform Order* at ¶ 275.

²³ *Id.*

²⁴ SC Code Regs. § 103-690(C)(a)(1)(C).

TWCIS (SC) will offer Lifeline service only under its own and parent company TWC's brand names, and not through any non-TWC affiliates. To the extent that TWCIS (SC) seeks to provide Lifeline service through any such non-TWC affiliate in the future, TWCIS (SC) will disclose such information pursuant to the reporting requirements set forth in Section 54.422 of the FCC's rules.²⁵

**3. Ability to Remain Functional in Emergency Situations
S.C. Code Regs. § 103-690(C)(a)(2) and 47 C.F.R. § 54.202(a)(2)**

TWCIS(SC) has been offering telecommunications services in South Carolina since 2004, and thus has significant experience with remaining functional in emergency situations. The Company is committed to providing and maintaining essential telecommunications services in times of emergency. In particular, TWCIS (SC) maintains a reasonable amount of back-up power throughout its network to ensure the functionality of its service without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations. TWCIS (SC) complies with all specific back-up requirements adopted by the FCC and this Commission, and will comply with such requirements adopted in the future. In accordance with S.C. Regs. § 103-690.1(B)(b)(6), TWCIS(SC) hereby certifies and will annually certify, that it is able to function in emergency situations. *See Exhibit 1.*

**4. Consumer Protection and Commitment to Provide Quality Service
S.C. Code Regs. § 103-690(C)(a)(3) and 47 C.F.R. § 54.202(a)(3)**

TWCIS (SC) will comply with all applicable state and federal consumer protection and service quality standards and will certify the same on an annual basis as required by S.C. Code Regs. §103-690.1. TWCIS(SC) and its affiliated companies are currently subject to the consumer protection and service quality standards promulgated by the Commission and the states in which

²⁵ 47 C.F.R. § 54.422.

they operate. These same practices will be applied to the provision of Lifeline discount to its customers. TWCIS(SC) will satisfy all consumer privacy protections standards as provided in 47 C.F.R. § 64, Subpart U as applicable and will protect Customer Proprietary Network Information (“CPNI”) as required by state and federal law and will certify compliance with the same on an annual basis as required.

5. Comparable Local Usage / Rate Plan
S.C. Code Regs. § 103-690(C)(a)(4)

The Commission’s rules require an ETC applicant to offer a local usage plan comparable to those offered by the incumbent LEC in the designated service area. In the past, the FCC has specified that a local usage plan is acceptable if it is “comparable to the one offered by the incumbent LEC in the service areas for which the applicant seeks designation.”²⁶ This comparability analysis was to proceed on a case-by-case basis, and take account of value-added capabilities and services incorporated into a plan.²⁷ The FCC no longer requires an ETC applicant to demonstrate that it offers a local usage plan that is comparable to the incumbent LEC plan.²⁸ However, as discussed above, TWCIS (SC)’s service plans offer unlimited local and/or long-distance usage and numerous additional benefits, and are comparable to (if not superior to) the Lifeline offerings of ILECs in South Carolina.

6. Equal Access
S.C. Code Regs. § 103-690(C)(a)(5)

The Commission’s rules require an ETC applicant to acknowledge that it may be required to provide equal access to long distance carriers in the event that no other eligible telecommunications carrier is providing equal access within the service area. This requirement

²⁶ See *Federal-State Joint Board on Universal Service*, Report and Order, 20 FCC Rcd 6371, ¶ 32 (2005).

²⁷ *Id.* ¶¶ 33-34.

²⁸ See amended 47 C.F.R. § 54.202(a)(4) (2013)

mirrors former Section 54.202(a)(5) of the FCC's rules.²⁹ The FCC has eliminated the former Section 54.202(a)(5), and the rule now requires a Lifeline-only ETC applicant to "submit information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers."³⁰ In light of this change, TWCIS respectfully requests waiver of Section 103-690(C)(a)(5).

**7. Universal Service Support
S.C. Code Regs. 103-690(C)(a)(6)**

As described earlier, Section 214(e)(1)(A) of the Act requires an ETC to offer the services supported by federal universal service support mechanisms throughout its designated service area "either using its own facilities or a combination of its own facilities and resale of another carrier's services." TWCIS (SC) will offer the supported services using its own facilities and the same network infrastructure used to serve its existing customers.

**8. Financial and Technical Showing
47 C.F.R. § 54.201(h) & 47 C.F.R. § 54.202(a)(4)**

TWCIS (SC) is a wholly owned subsidiary of TWC, a leading voice provider with approximately five million Home Phone customers, that has both the financial and technical capabilities to provide Lifeline service. TWCIS (SC) will continue to rely on its innovative and reliable network infrastructure and service expertise to support and further develop its operations. The company will use its successful business model to sustain and grow its network, and will do so independently of USF disbursements that provide discounts to qualifying Lifeline subscribers. TWCIS (SC) has held a CPCN in South Carolina since 2004, and has not been subject to ETC revocation proceedings in any state.

²⁹ 47 C.F.R. § 54.202(a)(5) (2011).

³⁰ See 47 C.F.R. § 54.202(a)(5) (2013).

9. Commitment to Comply with Applicable Service Requirements

TWCIS(SC) certifies that it will comply with the service requirements applicable to the support that it receives. Because TWCIS (SC) seeks only Lifeline support, as opposed to high-cost funding to support the construction of network facilities, it is not submitting a network improvement plan under 47 C.F.R. § 54.202(a)(1)(ii).³¹

V. DESIGNATING TWCIS (SC) AS A LIFELINE-ONLY ETC IN THE STATE OF SOUTH CAROLINA WILL SERVE THE PUBLIC INTEREST

The Commission must determine whether an ETC designation is in the public interest by considering the benefits of increased consumer choice and the unique advantages and disadvantages of the applicant's service offering pursuant to S.C. Code Regs. § 103-690(C)(b). Designating TWCIS (SC) as an ETC will serve the public interest generally, and the needs of South Carolina's low-income customers in particular, by ensuring that more of the state's residents are connected to the PSTN.

A. Benefits of Increased Competitive Choice

TWCIS(SC)'s ETC designation will bring another competitive wireline alternative to low-income Lifeline consumers in South Carolina. With its commitment to innovation and proven track record of high-quality service, TWCIS (SC)'s parent company TWC has built a network that serves 29 states and more than 15 million customers. For its part, TWCIS (SC) offers high-quality, facilities-based competitive services in many areas that once offered no choice of providers. This competition has created pressure for all voice providers to improve the quality and value proposition of the service they offer, and has benefitted consumers as a result. Designating TWCIS (SC) as an ETC will further benefit customers by increasing choice among

³¹ See *Lifeline Reform Order* ¶ 386.

carriers that offer Lifeline service.

B. Unique Advantages of TWCIS(SC) Service Offerings

TWCIS (SC) looks forward to providing affordable competitive service options to Lifeline-eligible subscribers, and will make available to low-income consumers the same plans offered to current subscribers. Though TWCIS (SC) already provides voice services in South Carolina, some of the state's low-income residents currently may be unable to take advantage of TWCIS (SC)'s services. Designating TWCIS (SC) as an ETC will enable it to offer high-quality voice service at price points that meet the needs of South Carolina's Lifeline-eligible consumers. Notably, many of TWCIS (SC)'s bundled service plans include access to broadband Internet access. Lifeline support will make it easier for low-income individuals in South Carolina to access broadband services, and is therefore consistent with the objectives set forth in the FCC's *National Broadband Plan* and *Lifeline Reform Order*. For these reasons, TWCIS (SC) ETC designation in the State of South Carolina will serve the public interest.

C. Cream-Skimming Analysis

As part of its public interest determination, the Commission's regulation requires it to conduct a "creamskimming analysis" if an ETC applicant seeks designation below the study area level of a rural telephone company.³² Because TWCIS (SC) seeks designation only as a "Lifeline-only" ETC, and will not seek high-cost or other support from the USF, "cream-skimming" concerns are not implicated.³³ In addition, the FCC has already determined in the *TWC Forbearance Order* "that any creamskimming concerns in an area of a rural telephone company are not relevant in considering the designation of a Lifeline-only ETC. Creamskimming is not a public-interest consideration in the Lifeline context, whether the

³² S.C. CODE REGS. § 103-690(C)(b).

³³ See, e.g., *Virgin Mobile USA, L.P.*, Order, 24 FCC Rcd 3381, at ¶ 39 n.101 (2009) ("we need not perform a creamsiskimming analysis because Virgin Mobile is seeking eligibility for Lifeline support only").

competing carrier is offering wireline or wireless service.”³⁴ The FCC held that for pending and future Lifeline-only designation requests, service areas will no longer be required to conform to the rural telephone companies’ service areas.³⁵ As a result of the FCC’s decision and to the extent necessary, TWCIS(SC) seeks waiver from the Commission’s requirements regarding this issue.

D. Impact on the Universal Service Fund

Designation of TWCIS(SC) as an ETC will not pose any adverse effect in the growth in the high-cost portions of the USF, nor will it create or contribute to an erosion of high-cost funding from any rural or non-rural telephone company. The FCC reaffirmed this position when it stated that “the potential growth of the fund associated with high-cost support distributed to competitive ETCs” is not relevant to carriers seeking support associated with the low-income program.³⁶

With Lifeline, ETCs only receive support for customers they obtain. The amount of support available to an eligible subscriber is the same whether the support is given through TWCIS(SC) or an incumbent LEC. TWCIS(SC) would only increase the amount of Lifeline funding if it obtains Lifeline customers not enrolled in another ETC’s Lifeline program. The FCC recognized that the total effect of additional low-income-only ETC designations would have a minimal impact on the fund when it stated that “any increase in the size of the fund would be minimal and would be outweighed by the benefit of increasing eligible participation in the Lifeline program, furthering the statutory goal of providing access to low-income consumers.”³⁷

By implementing the safeguards established in the *Lifeline Reform Order*, TWCIS(SC) will

³⁴ *TWC Forbearance Order*, ¶ 13.

³⁵ *TWC Forbearance Order*, ¶ 15.

³⁶ Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095 (2005) (“*TracFone Forbearance Order*”) at ¶ 17.

³⁷ *TracFone Forbearance Order*, at ¶ 17.

minimize the likelihood that its customers are not eligible or are receiving duplicative support either individually or within their household. TWCIS(SC)'s ability to increase the Lifeline participation rate of qualified low-income individuals will further the goal of Congress to provide all individuals with affordable access to telecommunications service. Any incremental increases in Lifeline expenditures are far outweighed by the significant public interest benefits of expanding the availability of affordable wireless services to low-income customers. Approval of TWCIS(SC)'s ETC Application will serve the public interest by increasing participation of qualified consumers in the Lifeline program in the State of South Carolina.

VI. ANTI-DRUG ABUSE CERTIFICATION

TWCIS(SC) certifies that, pursuant to Sections 1.2001 through 1.2003 of the FCC's rules, that neither TWCIS(SC) nor its subsidiaries, affiliates, officers, directors, or persons holding 5% or more of its outstanding stock, are subject to a denial of federal benefits, including Commission benefits, pursuant to Section 5301 of the Anti-Drug Abuse Act of 1988.³⁸

VII. ANNUAL REPORTING REQUIREMENTS

Consistent with the requirements of 47 C.F.R. § 54.422 and with S.C. Code Regs. 103-690.1, TWCIS(SC) will comply with the federal and state annual reporting requirements. Pursuant to S.C. Code Regs. 103-690(C)(a)(5) through (7), Applicant attaches **Exhibit 1** an Affidavit and Certification signed by an officer of TWCIS(SC).

³⁸ *Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act*, 12 FCC Rcd 22947, 22948-949 (1997).

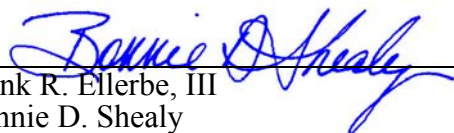
VIII. CONCLUSION

Based on the foregoing, TWCIS (SC) respectfully requests that the Commission grant this Application for ETC designation and those waivers of Commission regulations as requested.

Dated this 9th day of December, 2013.

Robinson, McFadden & Moore, P.C.

By:



Frank R. Ellerbe, III
Bonnie D. Shealy
1901 Main Street, Suite 1200
Post Office Box 944
Columbia, SC 29202
Telephone 803-779-8900
Fax 803-252-0724
fellerbe@robinsonlaw.com
bshealy@robinsonlaw.com

Attorneys for Time Warner Cable Information
Services (South Carolina), LLC

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

VERIFICATION

I, Julie P. Laine, Group Vice President & Chief Counsel, Regulatory, of Time Warner Cable Inc. first being duly sworn upon oath, depose and say that I am an officer authorized to represent Time Warner Cable Information Services (South Carolina), LLC in this Application; that I have read the Application and know the contents; that the contents are true and correct to the best of my knowledge and belief.

Time Warner Cable Information Services (South
Carolina), LLC

By: Julie P. Laine
Julie P. Laine
Group Vice President & Chief Counsel, Regulatory
of Time Warner Cable Inc.

Subscribed and sworn to before me this

5th day of December, 2013.

Sue Ellen Dockery
Notary Public for State of New York
My Commission Expires: 10-317

SUE ELLEN DOCKERY
Notary Public, State of New York
Registration No. 01DO6134442
Qualified in Kings County
Certificate Filed in New York County
Commission Expires October 3, 2017

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

EXHIBITS

Exhibit 1	-	Affidavit and Certification
Exhibit 2	-	TWC Petition for Forbearance from FCC
Exhibit 3	-	TWC Forbearance Order
Exhibit 4	-	Current Officers
Exhibit 5	-	Sample Enrollment Form
Exhibit 6	-	Advertising Materials
Exhibit 7	-	Advertising and Outreach Plan

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

EXHIBIT 1

AFFIDAVIT AND CERTIFICATION

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

Affidavit and Certification of Julie P. Laine

Personally appeared before me Julie P. Laine who, being first duly sworn, deposes and states the following:

My name is Julie P. Laine. I am Group Vice President & Chief Counsel, Regulatory of Time Warner Cable Inc. Time Warner Cable Information Services (South Carolina), LLC (“TWCIS(SC)”) is a wholly owned subsidiary of Time Warner Cable Inc. My business address is 60 Columbus Circle, New York, New York 10023. I am authorized to make this Affidavit on behalf of TWCIS(SC), and it is based on my personal knowledge. This Affidavit is given in support of the Application to designate TWCIS(SC) as an eligible telecommunications carrier.

On behalf of TWCIS(SC), I certify and assert the following:

- a. TWCIS(SC) will provide Lifeline service in a timely manner throughout the designated service area upon reasonable request of an eligible customer;
- b. TWCIS(SC) will offer the services that are supported by the federal universal service support mechanisms using its own facilities and the same network infrastructure used to serve its existing customers;
- c. TWCIS(SC) will advertise in a media of general distribution the availability of such services, including lifeline services and the applicable charges;

d. TWCIS(SC) will provide service within a reasonable period of time, if the potential customer is within its licensed service area but outside its existing network coverage, if service can be provided at reasonable costs;

e. TWCIS(SC) will implement certification policies and procedures that enable customers to demonstrate their eligibility for Lifeline assistance as required by the *Lifeline Reform Order* and any additional state and federal requirements;

f. TWCIS(SC) certifies that it is a common carrier for purposes of ETC Designation;

g. TWCIS(SC) certifies that it is able to function in emergency situations;

h. TWCIS(SC) will comply with all applicable state and federal requirements related to consumer protection and service quality standards as outlined in the application;

i. TWCIS(SC) is knowledgeable of all federal and state laws and regulations associated with offering Lifeline discounted services and will comply with such requirements;

j. TWCIS(SC) will comply with the service requirements applicable to the support it receives; and

k. TWCIS(SC) will comply with all federal and state reporting requirements.

Dated this 5th day of December, 2013.

Time Warner Cable Information Services (South Carolina), LLC

By: Julie P. Laine
Julie P. Laine
Group Vice President & Chief Counsel, Regulatory

SUBSCRIBED and sworn to before me
this 5th day of December, 2013

Sue Ellen Dockery
Notary Public for State of New York
My Commission Expires: 10-3-17

SUE ELLEN DOCKERY
Notary Public, State of New York
Registration No. 01DO6134442
Qualified in Kings County
Certificate Filed in New York County
Commission Expires October 3, 2017

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

EXHIBIT 2

TWC PETITION FOR FORBEARANCE

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Carriers Eligible to)	WC Docket No. 09-197
Receive Universal Service Support)	
)	
TIME WARNER CABLE INC.)	
)	
Petition for Forbearance)	
)	

PETITION FOR FORBEARANCE OF TIME WARNER CABLE

Pursuant to Section 10 of the Communications Act of 1934, as amended (the “Act”),¹ Time Warner Cable Inc. (“TWC”) petitions the Commission to forbear from enforcing Section 214(e)(5) of the Act and Section 54.207 of the Commission’s rules (which implements Section 214(e)(5))² in connection with TWC’s pending and future applications for limited designation as an eligible telecommunications carrier (“ETC”) to participate in the Lifeline program.³ TWC seeks the same forbearance relief that the Commission provided to NTCH, Inc. and Cricket Communications, Inc. last year.⁴

As explained herein, Sections 214(e)(5) and 54.207 are intended to prevent recipients of high-cost universal service support from engaging in “cream-skimming”—*i.e.*, the practice of targeting only the lower-cost portions of a rural study area. The Commission has explained that, where a competitive ETC obtains high-cost support that is based on the cost of

¹ 47 U.S.C. § 160.

² 47 U.S.C. § 214(e)(5); 47 C.F.R. § 54.207.

³ Appendix A hereto provides the specific information required by Section 1.54(a) and (e) of the Commission’s rules. 47 C.F.R. §§ 1.54(a), (e).

⁴ *See NTCH, Inc. and Cricket Communications, Inc.*, Order, 26 FCC Rcd 13723, at ¶ 10 (2011) (“*NTCH/Cricket Forbearance Order*”).

serving particularly high-cost portions of an incumbent carrier's study area without actually serving those areas, it can distort competition and potentially undermine universal service.⁵ Thus, Section 214(e)(5) requires an ETC to either: (i) serve the entirety of relevant rural study areas; or (ii) complete a lengthy and complex series of boundary-modification proceedings at the federal and state levels to demonstrate that the provision of service to a subset of the incumbent carrier's service territory would not result in "cream-skimming" or otherwise harm the public interest.

Critically, however, concerns regarding cream-skimming have no application in the context of Lifeline services, as the Commission has made clear. Carriers that receive support only for serving low-income consumers, as opposed to serving high-cost areas, have no incentive or ability to engage in cream-skimming. Accordingly, because TWC is not seeking any high-cost support, but rather seeks designation as an ETC only for the limited purpose of receiving Lifeline support, enforcement of Sections 214(e)(5) and 54.207 would be unnecessary and would waste federal, state, and company resources. In fact, the requested forbearance would strongly *promote* the universal service objectives embodied in the Act and reflected in Commission policy. Therefore, TWC respectfully requests that the Commission grant this Petition expeditiously, so that low-income customers can benefit from the high-quality calling plans provided by TWC without any unnecessary delay.

I. BACKGROUND

TWC. TWC is a leading facilities-based provider of competitive voice services. It is the second-largest cable operator in the United States, with operations in 29 states and more

⁵ See, e.g., *Virginia Cellular, LLC*, Memorandum Opinion and Order, 19 FCC Rcd 1563, at ¶ 32 (2003); see also *Federal-State Joint Board on Universal Service*, Recommended Decision, 12 FCC Rcd 87, at ¶ 172 (1996).

than 15 million residential and commercial customers (including nearly 5 million residential voice subscribers). In addition to its digital cable and broadband services, TWC offers interconnected voice-over Internet Protocol (“VoIP”) services throughout this footprint. Indeed, TWC was the first multi-system cable operator—and one of the first service providers—to introduce a mass-market, facilities-based VoIP service, now known as Home Phone, bringing a reliable, feature-rich, competitive voice alternative to millions of residential consumers. When TWC first began providing voice service using its interconnected VoIP capabilities, it obtained interconnection and traffic-exchange for its retail voice service through commercial arrangements with third-party carriers. TWC is now transitioning to a more efficient and cost-effective business model under which various of its subsidiaries will operate as local exchange carriers, and interconnect and exchange traffic with incumbent local exchange carriers directly.

TWC Petition for Designation as an Eligible Telecommunications Carrier.

Concurrently with this petition, TWC is filing a petition with the New York State Public Service Commission seeking designation as an ETC in various of TWC’s franchise areas in that state. TWC plans to file similar petitions with other state commissions. Because TWC’s franchise areas encompass portions of the study areas of a number of rural local exchange carriers, the requirements of Sections 214(e)(5) and 54.207 are implicated by these petitions. Critically, however, TWC seeks ETC designation only for the purpose of receiving available Lifeline support, making the cream-skimming concerns that apply in the high-cost context inapposite.

Sections 214(e)(5) and 54.207. Under Section 214(e)(1) of the Act, an ETC must offer supported services and advertise the availability of and charges for such services “throughout the *service area* for which the designation is received[.]”⁶ Section 214(e)(5) of the

⁶ 47 U.S.C. § 214(e)(1) (emphasis added).

Act, in turn, provides that “[i]n the case of an area served by a rural telephone company, ‘service area’ means such company’s ‘study area’ unless and until the Commission and the States . . . establish a different definition of service area for such company.”⁷ Section 54.207 of the Commission’s rules specifies a series of procedural steps that must be followed for this purpose at the federal and state levels to ensure that the provision of service to smaller portions of those areas would not result in “cream-skimming” or otherwise harm the public interest.⁸ These steps often take years to complete, at great cost to both the carrier and relevant regulators.

TWC’s footprint in New York and the other states it serves overlaps with a number of rural study areas. Yet TWC does not serve the entirety of many of those study areas, and cannot economically expand its network footprint to do so. Consequently, Sections 214(e)(5) and 54.207, if enforced, would preclude TWC from operating as an ETC until the Commission and the states could redefine TWC’s service areas to be narrower than the relevant rural study areas—even though the Commission has made clear that no “cream-skimming” analysis is necessary where an ETC applies only for low-income support.⁹ TWC therefore seeks forbearance from the boundary-modification requirements, as the Commission has already found appropriate in the *NTCH/Cricket Forbearance Order*.

Forbearance Standard. Section 10(a) of the Act provides that the Commission *shall* forbear from applying any provision of the Act to a telecommunications carrier if the Commission determines that: (i) enforcement of such provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with the carrier or

⁷ 47 U.S.C. § 214(e)(5).

⁸ 47 C.F.R. § 54.706.

⁹ See *Virgin Mobile USA, L.P.*, Order, 24 FCC Rcd 3381, at ¶ 38 n.101 (2009) (“In addition, we need not perform a creamskimming analysis because Virgin Mobile is seeking eligibility for Lifeline support only.”) (“*Virgin Mobile Forbearance Order*”).

telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory; (ii) enforcement of such provision is not necessary for the protection of consumers; and (iii) forbearance from applying such provision is consistent with the public interest.¹⁰ Section 10(b) of the Act further provides that in evaluating whether forbearance would be consistent with the public interest, the Commission *shall* consider whether such forbearance would promote competitive market conditions or enhance competition.¹¹

II. DISCUSSION

Forbearance from enforcement of Sections 214(e)(5) and 54.207 in connection with TWC's ETC applications is appropriate and, indeed, required because: (i) enforcement is not necessary to ensure that TWC's rates, terms and conditions are just, reasonable, and non-discriminatory; (ii) enforcement is not necessary to protect consumers; and (iii) forbearance is consistent with the public interest.

A. Enforcement of Sections 214(e)(5) and 54.207 Is Not Necessary To Ensure that TWC's Rates, Terms and Conditions are Just, Reasonable, and Non-Discriminatory.

A carrier seeking forbearance from the enforcement of a provision of the Act must demonstrate that such enforcement is not necessary to ensure that the carrier's rates, terms and conditions are just, reasonable, and non-discriminatory. This prong of the analysis is easily satisfied because Sections 214(e)(5) and 54.207 have no bearing on a carrier's relationship with its customers. Rather, Sections 214(e)(5) and 54.207 serve to ensure that ETCs serving rural

¹⁰ 47 U.S.C. § 160(a).

¹¹ 47 U.S.C. § 160(b).

areas are not able to engage in “cream-skimming,” while at the same time preventing ETCs from complicating certain calculations with respect to high-cost support in rural areas.¹²

Far from leading to rate increases or unreasonable service terms, forbearance would enable TWC to make Lifeline discounts available to its subscribers, thus giving consumers access to lower rates.¹³ Nor would the requested forbearance in any way diminish the benefits of competition, which helps to ensure that rates are just, reasonable, and non-discriminatory.¹⁴ To the contrary, by enabling TWC to obtain available discounts for Lifeline-eligible customers, forbearance would better enable TWC to compete with other carriers that participate in the Lifeline program. By the same token, forbearance would not prevent the Commission from enforcing Section 201 or Section 202 of the Act, which require all carriers to charge just, reasonable, and non-discriminatory rates.¹⁵ For these reasons, enforcement of Sections 214(e)(5) and 54.207 is not necessary to ensure that a Lifeline provider’s rates, term, and conditions are just, reasonable, and non-discriminatory.¹⁶

B. Enforcement of Sections 214(e)(5) and 54.207 Is Not Necessary To Protect Consumers.

A carrier seeking forbearance from enforcement of a provision of the Act also must demonstrate that such enforcement is not necessary to protect consumers. Again, Sections 214(e)(5) and 54.207 do not govern the relationship between the carrier and its customers and thus are not consumer protection provisions. Rather, forbearance would promote consumers’

¹² See *Virgin Mobile Forbearance Order* ¶ 38 n.101.

¹³ See *NTCH/Cricket Forbearance Order* ¶ 10.

¹⁴ See, e.g., *Virgin Mobile Forbearance Order* ¶ 19.

¹⁵ See *NTCH/Cricket Forbearance Order* ¶¶ 10-11; 47 U.S.C. §§ 201, 202.

¹⁶ See *Virgin Mobile Forbearance Order* ¶ 19 n.53 (citing *CTIA v. FCC*, 330 F.3d 502, 512 (D.C. Cir. 2003)).

interests by enabling them to obtain Lifeline discounts. Moreover, the requested forbearance would not affect the consumer protection provisions of the Act (*e.g.*, Sections 201, 202, and 222), or the Commission’s rules—including Sections 54.101 and 54.201.¹⁷ Similarly, the requested forbearance would not affect TWC’s ability to provide E-911 or other critical services to consumers.¹⁸ Thus, enforcement of Sections 214(e)(5) and 54.207 is not necessary to protect consumers.

C. Forbearance from the Enforcement of Sections 214(e)(5) and 54.207 Is Consistent with the Public Interest.

Finally, a carrier seeking forbearance from the enforcement of a provision of the Act must demonstrate that such forbearance is consistent with the public interest. In this case, forbearance from the enforcement of Sections 214(e)(5) and 54.207 against TWC not only is consistent with, but would strongly promote, the public interest. In particular, the requested forbearance would expedite TWC’s ability to market Lifeline offerings to the public, thereby providing consumers with a valuable opportunity to obtain discounted service that includes a host of advantages.¹⁹ Notably, TWCIS(NY) plans to offer several low-priced service plans to Lifeline subscribers, including (i) separate plans offering local-only, unlimited in-state, and unlimited nationwide calling; and (ii) “double play” and “triple” play bundles, which will facilitate consumer access to voice services, as well as high-speed data and video services. By

¹⁷ See *NTCH/Cricket Forbearance Order* ¶¶ 10-11; see also 47 U.S.C. §§ 201, 202, 22; 47 C.F.R. §§ 54.101, 54.201.

¹⁸ Cf. *Virgin-Mobile Forbearance Order* ¶¶ 21-22.

¹⁹ See *NTCH/Cricket Forbearance Order* ¶ 12.

offering a wide variety of low-priced plans, TWCIS(NY) will ensure that the Lifeline program meets the particularized needs of the low-income consumers it serves.²⁰

The requested forbearance would expedite TWC's ability to serve low-income customers, and thus promote the public interest. In particular, forbearance would enable TWC to introduce a competitive alternative that better responds to the particular needs of low-income consumers, consistent with Commission policy generally and the specific guidance provided in Section 10(b) of the Act. At the same time, forbearance from the enforcement of Sections 214(e)(5) and 54.207 against TWC would in no way harm the public interest.²¹ As explained above, such enforcement is not necessary to ensure that TWC's rates are just, reasonable, and non-discriminatory, or to otherwise protect consumers.

Furthermore, such enforcement is not necessary to advance the universal service policies set forth in Section 214 of the Act. First, as the Commission already has found, there is no need to perform a "cream-skimming" analysis where, as here, an ETC seeks to receive only low-income support.²² Second, and perhaps more importantly, forbearance from the enforcement of Sections 214(e)(5) and 54.207 simply would expedite TWC's ability to provide Lifeline, but would not prevent state public utilities commissions from designating TWC as an ETC within *some* defined "service area" (*e.g.*, rural areas within TWC's existing footprint), nor would it negate the service obligations specified in Section 214(e)(1) of the Act and the Commission's implementing rules.

²⁰ In each case, TWC will apply the Lifeline discount only to the voice component of the bundle.

²¹ *Id.*

²² See *Virgin Mobile Forbearance Order* ¶ 38 n.101.

Finally, the requested forbearance would serve the public interest because TWC will implement a compliance plan to help ensure that the eligibility of Lifeline applicants is properly verified, and that duplicative or otherwise wasteful Lifeline support is not distributed.²³

III. ANTI-DRUG ABUSE CERTIFICATION

No party to this Petition is subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C. Section 862.

IV. CONCLUSION

For the reasons set forth above, TWC respectfully submits that forbearance from the enforcement of Sections 214(e)(5) and 54.207 against TWC is appropriate and required.

Respectfully submitted,

By: /s/ Matthew A. Brill

Julie P. Laine
TIME WARNER CABLE INC.
60 Columbus Circle
New York, NY 10023
(212) 364-8482

Terri B. Natoli
TIME WARNER CABLE INC.
901 F Street, N.W.
Suite 800
Washington, D.C. 20004
(202) 370-4200

Matthew A. Brill
Jarrett S. Taubman
LATHAM & WATKINS LLP
555 Eleventh Street, N.W.
Suite 1000
Washington, D.C. 20004
(202) 637-2200

November 13, 2012

²³ A proposed compliance plan is attached as Appendix B hereto. TWC respectfully requests that the Commission approve this compliance plan at the same time the Commission grants this petition.

APPENDIX A
DESCRIPTION OF RELIEF SOUGHT

TWC hereby provides the following information required by Section 1.54(a) and (e) of the Commission's rules, 47 C.F.R. §§ 1.54(a), (e):

- (1) TWC petitions the Commission to forbear from enforcing Section 214(e)(5) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(e)(5), and Section 54.207 of the Commission's rules, 47 C.F.R. § 54.207.
- (2) TWC seeks forbearance on behalf of itself and any subsidiaries that operate, or may operate, as local exchange carriers.
- (3) TWC seeks forbearance with respect to its provision of local exchange and related services.
- (4) TWC seeks forbearance with respect to: (i) those areas in New York in which TWC has sought such designation as an eligible telecommunications carrier ("ETC") from the Commission; and (ii) those areas in other states in which TWC may seek designation as an ETC from the relevant state commission pursuant to Section 214(e)(2) of the Act.

TWC has not, in a pending proceeding, requested or otherwise taken a position on the relief sought.

All supporting data upon which TWC intends to rely, for purposes of this petition, are included in the preceding narrative. TWC is not relying on any separate market analysis, and, as such, TWC is not attaching a separate appendix with supporting data.

Appendix B

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Carriers Eligible to)	WC Docket No. 09-197
Receive Universal Service Support)	
)	
TIME WARNER CABLE INC.)	
)	
Petition for Forbearance)	
)	

TIME WARNER CABLE COMPLIANCE PLAN

Time Warner Cable Inc. (“TWC”) hereby files this compliance plan outlining the measures it will take to verify the eligibility of applicants for its Lifeline service, and to assist the Commission and state commissions to do the same. The commitments made herein are: (i) contingent upon grant of the petition for forbearance being concurrently filed with the Commission; and (ii) intended to mirror those made in compliance plans approved by the Commission in connection with forbearance petitions filed by other “Lifeline-only” service providers seeking eligible telecommunications carrier (“ETC”) status.¹ Notably, the Commission has conditioned its approval of such petitions by requiring the “Lifeline-only” service provider (“L-O Provider”) to:

- (1) Require each eligible Lifeline consumer to self-certify under penalty of perjury at the time of enrollment and annually thereafter until a national duplicates database is in place that he or she is the head of household, receives Lifeline-supported service only from the L-O Provider, and does not receive Lifeline from any other provider;
- (2) Require each eligible Lifeline consumer at the time of enrollment to initial on the certification form that, to the best of his or her knowledge, he or she is not receiving Lifeline-supported service from any other Lifeline

¹ See, e.g., *NTCH, Inc. and Cricket Communications, Inc.*, Order, 26 FCC Rcd 13723, at ¶ 15 (2011).

provider, and requiring the L-O Provider to list as examples the brand names of at least the leading wireline and leading two wireless Lifeline providers in the area to ensure the consumer understands what is meant by “Lifeline-supported service”;

- (3) Make available state-specific subscriber data, including name and address of Lifeline subscribers, to the Universal Service Administrative Company (“USAC”) and to each state public utilities commission where it operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;
- (4) Assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;
- (5) Establish safeguards to prevent its subscribers from receiving multiple Lifeline subsidies at the same address and safeguards to prevent individual subscribers from receiving more than one Lifeline discount;
- (6) Implement a non-usage policy, if applicable, in all states where the L-O Provider provides Lifeline services to subscribers at no monthly charge, requiring the L-O Provider to identify its subscribers that have not used its Lifeline service for 60 days and not seek support for such subscribers if they do not actively use its Lifeline service during a 30-day grace period;
- (7) Deal directly with the subscriber to certify and verify the subscriber’s Lifeline eligibility;
- (8) Explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy;
- (9) Ensure that all marketing materials for the service make clear that it is a Lifeline-supported service;
- (10) Immediately de-enroll any subscriber whom the L-O Provider knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible; and
- (11) Submit to the Wireline Competition Bureau a compliance plan outlining the measures the carrier will take to implement the obligations contained in this order within 30 days of the effective date of this order.

This Compliance Plan describes the specific measures that TWC intends to implement to achieve these objectives. TWC intends to keep these measures in effect until such

time as the Commission implements its planned duplicates database and any other new requirements resulting from its pending Lifeline rulemaking proceeding (at which point TWC will comply with those requirements in lieu of this Compliance Plan, except as otherwise noted herein).

I. CERTIFICATION OF LIFELINE CUSTOMERS' ELIGIBILITY

A. Policy

TWC will comply with all certification and verification requirements for Lifeline eligibility established by states where it is designated as an eligible telecommunications carrier ("ETC"). In states where there are no state-imposed requirements, TWC will comply with the certification and verification procedures in effect in that state as reflected on USAC's website. For any states that do not mandate Lifeline support and/or that do not have established rules of procedure in place, TWC will certify at the outset and will verify annually consumers' Lifeline eligibility in accordance with the Commission's requirements.

B. Certification Procedures

TWC will implement certification procedures that enable consumers to demonstrate their eligibility for Lifeline assistance to TWC personnel. TWC shares the Commission's concern about potential abuse of the Lifeline program and thus is committed to the safeguards stated herein, with the belief that these procedures will prevent TWC customers from engaging in such abuse of the program, inadvertently or intentionally.

First, TWC will produce state-specific materials describing TWC's Lifeline program, and make such materials available: (i) in print to potential applicants at each TWC retail location and through direct sales representatives; (ii) in print to potential applicants by mail (in response to requests made through TWC's toll-free customer service telephone number or website); and (iii) electronically through TWC's website, which will contain a link to such

information. These materials will: (i) include detailed information about TWC's Lifeline program and state-specific eligibility requirements; and (ii) describe the enrollment process that a customer must complete prior to receiving the Lifeline discount. These materials (like all Lifeline marketing materials) also will clearly identify what plans are supported "Lifeline" plans.

Second, TWC will produce state-specific Lifeline application materials, and make such materials available: (i) in print to potential applicants at each TWC retail location and through direct sales representatives; (ii) in print to potential applicants by mail (in response to requests made through TWC's toll-free customer service telephone number or website); and (iii) electronically through TWC's website, which will contain a link to such materials. In each case, TWC will direct applicants to submit their completed applications to TWC for processing, along with any documentation necessary to establish an applicant's eligibility to participate in the Lifeline program.

Although the substance of these applications will vary on a state-by-state basis, each will:

- (i) describe, in detail, the Lifeline discount available in the relevant state, and clearly identify the application as a "Lifeline" application;
- (ii) require the applicant to provide his or her name and primary residential address, as well as other identifying information, to facilitate TWC's ability to check for instances of duplicative support;
- (iii) require the applicant to initial a number of disclosure statements intended to ensure that the applicant understands applicable eligibility requirements—including a statement to the effect that to the best of his or her knowledge, the applicant is not receiving Lifeline-supported service from any other Lifeline provider (application materials will include the names of leading wireline and wireless Lifeline providers in the area);
- (iv) in states with program-based eligibility criteria, list each qualifying program, require the applicant to identify the program(s) in which he or she participates, and, where the applicant claims program-based eligibility, require the applicant to furnish proof that he or she currently participates in such program(s), regardless of whether such proof is required pursuant to state law;

- (v) in states with income-based eligibility criteria, and where the applicant claims income-based eligibility, require the applicant to certify that his or her household income does not exceed the relevant threshold (*e.g.*, 135% of the Federal Poverty Guidelines for federal default states) and provide proof of income-based eligibility;
- (vi) require the applicant to certify that he or she is the head of his or her household, receives Lifeline-supported service only from TWC, and does not receive Lifeline service from any other provider; and
- (vii) include a certification section where the applicant must attest and sign under penalty of perjury that the applicant's representations are true and correct.

Although the exact wording of the disclosure statements described above may vary on a state-by-state basis, depending on state-specific requirements and/or consultations with relevant state agencies, TWC expects the substance of these disclosures to be consistent with the following statements:

- _____ I understand that completion of this application does not constitute immediate approval for the Time Warner Cable Lifeline Credit. It may take up to 60 days for the credit to appear on my account.
- _____ I authorize Time Warner Cable to access any records required to verify my statements herein and to confirm my eligibility for the TWC Lifeline Credit. I also authorize Time Warner Cable to release any records required for the administration of the Time Warner Cable Lifeline Credit program.
- _____ I understand that I may be required to verify my continued eligibility for the Time Warner Cable Lifeline Credit at any time and that failure to do so will result in termination of the Time Warner Cable Lifeline Credit benefits.
- _____ I agree to notify Time Warner Cable immediately if I cease to participate in the programs I listed above.
- _____ I understand that Lifeline assistance is available for only one residential wired phone line per household *or* one wireless phone per household (*i.e.*, not both). I understand that I must notify Time Warner Cable if I add Lifeline on another phone line (wired or wireless), so that Time Warner Cable may discontinue my Time Warner Cable Lifeline Credit.

Except in states in which applicants are enrolled through a designated state agency, TWC will enroll Lifeline customers through direct contacts between TWC personnel and those customers. This practice is consistent with the Commission's requirement that TWC deal

directly with all customers to certify and verify their eligibility to participate in the Lifeline program.

Third, TWC personnel will take steps to ensure that applicants actually are eligible to participate in the Lifeline program. TWC will train a number of “Lifeline Representatives” to assist Lifeline applicants in determining whether they are eligible to participate based on state-specific income-based and/or program-based criteria. These Lifeline Representatives also will be trained to answer questions about Lifeline eligibility. These Lifeline Representatives will be made available to customers at TWC retail locations and/or in response to customer contacts through TWC’s toll-free telephone number and website. All personnel who interact with actual or prospective customers will be trained to refer Lifeline-related matters to a Lifeline Representative.

TWC also will train specific personnel to process Lifeline applications and review required documentation to determine whether it satisfies state-specific eligibility requirements using state-specific checklists.² Such personnel will attest to this review of eligibility documentation on the applicable enrollment form. Where such personnel conclude that proffered documentation is insufficient to establish such eligibility, TWC will deny the associated application and inform the applicant of the reason for such rejection. In the event that TWC personnel cannot ascertain whether documentation of a specific type is sufficient to establish an applicant’s eligibility, the matter will be escalated to supervisory personnel.

Fourth, TWC personnel will assist applicants in determining whether they are ineligible to participate in the Lifeline program because a member of the applicant’s household already is benefiting from Lifeline support, or because the applicant him or herself already is

² For states that require TWC to enroll subscribers identified by the state or as eligible in a state database, TWC will continue to rely on the state identification or database.

benefiting from a Lifeline discount. More broadly, TWC will establish safeguards to prevent subscribers from receiving multiple Lifeline subsidies at the same address and individual subscribers from receiving more than one Lifeline discount. TWC's Lifeline Representatives will explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy. Lifeline Representatives will emphasize the "one Lifeline line per household" restriction in its contacts with potential customers. Lifeline Representatives also will inform each Lifeline applicant that he or she may be receiving Lifeline support under another name, and facilitate the applicant's understanding of what constitutes "Lifeline-supported service" and ability to determine whether he or she is already benefiting from Lifeline support, by identifying the leading wireline and leading two wireless Lifeline offerings in the relevant market by brand name.

Furthermore, as noted above, TWC's Lifeline application forms will require each applicant to provide his or her name and primary residential address. TWC will incorporate this information into its customer information database. Prior to claiming a Lifeline subsidy for a customer, TWC will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives TWC Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one line associated with the address. TWC will deny the Lifeline application of any such individual and advise the applicant of the basis for the denial. In addition, prior to requesting a subsidy, TWC will process and validate TWC's subsidy data to prevent duplicate same-month Lifeline subsidies (*i.e.*, "double dips").³ Any household that is already receiving a Lifeline subsidy from TWC will be automatically prevented from

³ Because TWC plans to collect a monthly charge from its Lifeline customers, it is not including a "Non-Usage Policy" in this compliance plan.

receiving a second Lifeline subsidy in that same month. TWC also will immediately de-enroll any subscriber whom TWC knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible.

C. Annual Verification Procedures

TWC will require every customer enrolled in the Lifeline program to verify on an annual basis that he or she is the head of his or her household, receives Lifeline-supported service only from TWC, and does not receive Lifeline service from any other provider. TWC will notify each participating Lifeline customer prior to his or her service anniversary date that he or she must confirm his or her continued eligibility in accordance with the applicable requirements. This notification will be mailed via the U.S. Postal Service to the address the subscriber has on record with TWC. The notice will explain the actions the customer must take to retain Lifeline benefits, when Lifeline benefits may be terminated, and how to contact TWC. Customers will have 60 days to certify under penalty of perjury that they are the head of household and receive Lifeline service only from TWC, by sending written confirmation by mail or through additional means to be established. Anyone who does not respond to the mailing and certify his or her continued eligibility will be removed from the Lifeline program.

II. ADDITIONAL MEASURES TO PREVENT WASTE, FRAUD, AND ABUSE

A. Customer Education with Respect to Duplicates

To supplement its verification and certification procedures, and to better ensure that customers understand the Lifeline service restrictions with respect to duplicates, TWC will implement measures and procedures to prevent duplicate Lifeline benefits being awarded to the same household. These measures entail additional emphasis in written disclosures as well as live due diligence.

First, as noted above, TWC’s Lifeline Representatives will emphasize the “one Lifeline line per household” restriction in their direct sales contacts with the potential customer. Training materials will include a discussion of the limitation to one Lifeline line per household, and the need to ensure that the customer is informed of this restriction. Furthermore, this limitation will be emphasized in scripts used by Lifeline Representatives.

Second, TWC, in its marketing materials, will reinforce the limitation of one Lifeline line per household. TWC personnel will explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy. The following statement will appear in a conspicuous place in bold font in an offsetting color to ensure it is not overlooked:

Note: By law, the Lifeline program is only available for one line per household.

This statement also will appear on TWC’s website, which will note conspicuously in a number of places (*e.g.*, in the Lifeline “FAQ” section) that Lifeline can only be applied to one phone line per household, and include state-specific eligibility, enrollment, and rate and discount information. The website also will clearly identify all supported plans as “Lifeline” plans.

B. Cooperation with State and Federal Regulators

TWC will cooperate with federal and state regulators to prevent waste, fraud and abuse. More specifically, TWC will:

- Make available state-specific subscriber data, including the names and addresses of Lifeline subscribers, to USAC and to each state public utilities commission where TWC operates for the purpose of determining whether an existing Lifeline subscriber receives Lifeline service from another carrier;
- Assist the Commission, USAC, state commissions, and other ETCs in resolving instances of duplicative enrollment by Lifeline subscribers, including by providing to USAC and/or any state commission, upon request, the necessary information to detect and resolve duplicative Lifeline claims;

- Promptly investigate any notification that it receives from the Commission, USAC, or a state commission to the effect that one of its customers already receives Lifeline service from another carrier; and
- Immediately de-enroll any subscriber whom TWC knows is receiving Lifeline-supported service from another ETC or knows is no longer eligible—whether or not such information is provided by the Commission, USAC, or a state commission.

* * * * *

TWC submits that its Compliance Plan fully satisfies the conditions set forth in prior Commission orders granting forbearance from the requirements of Section 214(e)(5) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(e)(5), and Section 54.207 of the Commission's rules, 47 C.F.R. § 54.207. Accordingly, TWC respectfully requests that the Commission expeditiously approve this Compliance Plan at the same time the Commission grants TWC's related petition for forbearance.

Respectfully submitted,

By: /s/ Matthew A. Brill

Matthew A. Brill
Jarrett S. Taubman
LATHAM & WATKINS LLP
555 Eleventh Street, N.W.
Suite 1000
Washington, D.C. 20004
(202) 637-2200

Julie P. Laine
TIME WARNER CABLE INC.
60 Columbus Circle
New York, NY 10023
(212) 364-8482

Terri B. Natoli
TIME WARNER CABLE INC.
901 F Street, N.W.
Suite 800
Washington, D.C. 20004
(202) 370-4200

November 13, 2012

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

EXHIBIT 3

TWC FORBEARANCE ORDER

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Telecommunications Carriers Eligible for Support)	WC Docket No. 09-197
)	
Lifeline and Link Up Reform)	WC Docket No. 11-42
)	
Virgin Mobile USA, L.P.)	
Petition for Forbearance)	
)	
Cox Communications, Inc.)	
Petition for Forbearance)	
)	
Time Warner Cable, Inc.)	
Petition for Forbearance)	
)	
i-wireless, LLC)	
Petition for Forbearance)	
)	
Q Link Wireless, LLC)	
Petition for Forbearance)	
)	
Global Connection Inc. of America)	
Petition for Forbearance)	

MEMORANDUM OPINION AND ORDER

Adopted: April 8, 2013

Released: April 15, 2013

By the Commission: Commissioner McDowell not participating.

I. INTRODUCTION

1. In this Order, pursuant to section 10 of the Communications Act of 1934, as amended (the Act), we grant limited forbearance from the requirement of section 214(e)(5) of the Act and section 54.207(b) of the Commission's rules that the service area of an eligible telecommunications carrier (ETC) conform to the service area of any rural telephone company serving the same area.¹ In particular, this

¹ 47 U.S.C. §§ 160, 214(e)(5); 47 C.F.R. § 54.207(b); *see Lifeline and Link Up Reform and Modernization et al.*, WC Docket Nos. 11-42 and 03-109, CC Docket No. 96-45, Notice of Proposed Rulemaking, 26 FCC Rcd 2770, 2864, para. 309 (2011) (*Lifeline and Link Up NPRM*). Upon the effective date of this Order, we grant forbearance from the service area conformance requirement of section 214(e)(5) of the Act and section 54.207(b) of the Commission's rules with respect to all carriers seeking to provide Lifeline-only service, including, but not limited to, those carriers with petitions for forbearance from the service area conformance requirement of the Act pending with the Commission: Virgin Mobile USA, L.P. (Virgin Mobile), Cox Communications, Inc. (Cox), Time Warner Cable, Inc. (TWC), i-wireless, LLC (i-wireless), Q Link Wireless, LLC (Q Link) and Global Connection Inc. of America (Global Connection). *See* Petition for Forbearance of Virgin Mobile USA, L.P., WC Docket No. 09-197 (filed Jan. 13, 2012) (Virgin Mobile Petition); Petition for Forbearance of Cox Communications, Inc., WC Docket No. 09-197 (continued...)

grant of forbearance applies to any ETC that has been designated by a state or the Commission, as well as pending and future requests by telecommunications carriers that seek limited designation, as an ETC to participate only in the Lifeline program (Lifeline-only ETC).²

2. We conclude that forbearance furthers the Act's and Commission's goals of ensuring the availability of voice service to low-income consumers.³ Moreover, we find that application of the conformance requirements set forth in section 214(e)(5) of the Act and section 54.207(b) of the Commission's rules is not necessary to ensure that rates remain just and reasonable or to protect consumers.⁴ We emphasize that the forbearance granted herein is limited to a carrier's designation as a Lifeline-only ETC.⁵ If any carrier petitions to become an ETC to receive high-cost support, this forbearance order is inapplicable and such carrier must satisfy all of the statutory requirements applicable to ETCs under the Act.

II. BACKGROUND

3. Congress directed the Commission to establish a universal service fund to help ensure that "[q]uality services [are] available at just, reasonable, and affordable rates" for consumers throughout the nation, "including low-income consumers."⁶ The Commission's Lifeline program furthers this goal by reducing the price of monthly telephone service for low-income consumers.⁷ Section 254(e) of the Act provides that only an entity designated as an ETC shall be eligible for universal service high-cost and

(Continued from previous page) —————

(filed Aug. 14, 2012) (Cox Petition); Time Warner Cable, Inc. Petition for Forbearance, WC Docket No. 09-197 (filed Nov. 13, 2012) (TWC Petition); i-wireless, LLC Petition for Forbearance, WC Docket No. 09-197 (filed Dec. 10, 2012) (i-wireless Petition); Q Link Wireless, LLC Petition for Forbearance, WC Docket No. 09-197 (filed Dec. 21, 2012) (Q Link Petition); Global Connection Inc. of America Petition for Forbearance, WC Docket No. 09-197 (filed Jan. 31, 2013) (Global Connection Petition). Virgin Mobile, i-wireless, Q Link and Global Connection seek forbearance with respect to those areas previously approved by the Commission, those areas where each carrier has been previously approved by several states for Lifeline ETC status, those areas where each carrier has a petition for Lifeline ETC status pending, and any remaining states where each carrier has not yet filed for Lifeline ETC status. *See* Virgin Mobile Petition at 1; i-wireless Petition at 1-2; Q Link Petition at 1; Global Connection Petition at 1-2. Cox and TWC seek forbearance with respect to those areas in which each company has pending ETC petitions or will seek designation as an ETC from this Commission or the relevant state commission in the future. *See* Cox Petition at 1; TWC Petition at 1.

² We do not disturb the decision of any state commission or prior ETC designation via this grant of forbearance. A carrier may petition the appropriate designating entity to adjust its service areas in accordance with this grant of forbearance. If the designating authority defined the carrier's service area as smaller than the rural telephone company's service area in its original ETC designation, then the carrier need not redefine or seek to amend its service area definition, and the carrier may rely on the instant forbearance.

³ *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6671-72, paras. 27-30 (2012) (*Lifeline Reform Order*).

⁴ *See* 47 U.S.C. § 214(e)(5); 47 C.F.R. § 54.207(b).

⁵ Petitioners did not seek relief, nor do we grant forbearance, from the service area conformance requirement for carriers seeking to offer Link Up.

⁶ 47 U.S.C. § 254(b)(3).

⁷ Through the Lifeline program, low-income consumers may receive discounts off the monthly cost of telephone service, with the federal program reimbursing the ETC up to \$9.25 per subscriber each month. 47 C.F.R. § 54.403(a)(1). In Tribal areas, the federal program reimburses ETCs up to \$25 per subscriber each month. 47 C.F.R. § 54.403(a)(2).

low-income support.⁸ Once designated as an ETC, a carrier must offer and advertise the services supported by the federal universal service support mechanisms throughout its designated service area.⁹

4. The Act and the Commission's rules define the term "service area" and how each ETC's is established. An ETC's "service area" is a geographic area within which an ETC has universal service obligations and may receive universal service support.¹⁰ Although a carrier seeking to become an ETC usually requests designation in a specific service area, it is the state commission (or the FCC in some instances) designating that carrier—not the ETC itself—that establishes an ETC's service area.¹¹ When a competitive ETC seeks to serve an area already served by a rural telephone company,¹² section 214(e)(5) of the Act imposes an additional requirement that the competitive ETC's service area must conform to the rural telephone company's service area.¹³ Accordingly, if a commission seeks to designate a competitive ETC for an area that differs from a rural telephone company's existing service area, that rural carrier's service area must first be redefined under the process set forth in section 214 of the Act.¹⁴

5. The Act defines the service area of each rural telephone company to be that "company's 'study area' unless and until the Commission and the States, after taking into account recommendations of a Federal-State Joint Board . . . establish a different definition of service area for such company."¹⁵ The Commission has interpreted this language to mean that "neither the Commission nor the states may act alone to alter the definition of service areas served by rural carriers."¹⁶ In reviewing a potential redefinition of a rural service area in evaluating a request for ETC designation, the Commission and the states have traditionally taken into account the three factors recommended by the Federal-State Joint Board on Universal Service: creamskimming, the Act's special treatment of rural telephone companies, and the administrative burdens of redefinition.¹⁷ The Joint Board identified these factors in the context of a carrier seeking ETC designation to receive both low-income and high-cost support, in particular, under the identical support rule. The Commission's rules set forth the procedures for considering redefinition

⁸ 47 U.S.C. § 254(e). An entity need not be an ETC to participate in the schools and libraries or rural health care universal service programs. 47 U.S.C. § 254(h)(1)(A), (B)(ii); *see Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9015, para. 449 (1997) (*Universal Service First Report and Order*) (subsequent history omitted); *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Fourteenth Order on Reconsideration, 14 FCC Rcd 20106, 20114-15, para. 19 (1999).

⁹ 47 U.S.C. § 214(e)(1); 47 C.F.R. § 54.201(d).

¹⁰ *See* 47 U.S.C. § 214(e)(5); 47 C.F.R. § 54.207(a).

¹¹ *See id.*

¹² *See* 47 U.S.C. § 153(44) (defining "rural telephone company").

¹³ *See* 47 U.S.C. § 214(e)(5); *see also* 47 C.F.R. § 54.207(b).

¹⁴ 47 U.S.C. § 214(e)(5); *Federal-State Joint Board on Universal Service; Virginia Cellular, LLC Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 1563, 1582, para. 41 (2004) ("In order to designate [a competitive carrier] as an ETC in a service area that is smaller than the affected rural telephone company [service] areas, we must redefine the service areas of the rural telephone companies in accordance with section 214(e)(5) of the Act"). *See also Federal-State Joint Board on Universal Service; Highland Cellular, Inc. Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia*, CC Docket No. 96-45, Memorandum Opinion and Order, 19 FCC Rcd 6422, 6439, paras. 37-38 (2004) (*Highland Cellular Order*) (same).

¹⁵ 47 U.S.C. § 214(e)(5); *see also* 47 C.F.R. § 54.207(b).

¹⁶ *Universal Service First Report and Order*, 12 FCC Rcd at 8880, para. 187.

¹⁷ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Recommended Decision, 12 FCC Rcd 87, 179-80, paras. 172-74 (Federal-State Joint Board 1996) (*1996 Recommended Decision*); *see also Highland Cellular Order*, 19 FCC Rcd at 6426, para. 9. A carrier "cream-skims" when it serves only those consumers that are least expensive to serve. *See Universal Service First Report and Order*, 12 FCC Rcd at 8881-82, para. 189.

petitions and allow either the state commission or this Commission to propose to redefine a rural telephone company's service area.¹⁸ A proposed redefinition, however, does not take effect until this Commission and the appropriate state commission agree upon a new definition.¹⁹

6. In the *Lifeline and Link Up NPRM*, the Commission sought comment on whether it should forbear from the Act's redefinition process for low-income ETCs.²⁰ The Commission has issued two rulemaking orders in response to that NPRM but has not reached that issue. In determining whether to grant blanket forbearance (*i.e.*, forbearance for a class of carriers), the Commission also asked whether it should adopt rules codifying any conditions it would impose on a grant of forbearance in order to protect the public interest.²¹ Section 10 of the Act requires that the Commission forbear from applying any regulation of any provision of the Act to telecommunications services or telecommunications carriers, or classes thereof, in any or some of its or their geographic markets, if the Commission determines that the three conditions set forth in section 10(a) are satisfied.²²

7. Previously, the Commission granted conditional forbearance from the application of the definition of "service area" in section 214(e)(5) of the Act and section 54.207 of the Commission's rules to Cricket Communications, Inc. (Cricket) and NTCH, Inc. (NTCH), and subsequently designated each as limited ETCs eligible to receive only Lifeline support.²³ In the *Cricket and NTCH Forbearance Order*, the Commission conditioned forbearance on carriers meeting several obligations related to preventing waste, fraud, and abuse of universal service funding, and submitting compliance plans detailing how each carrier plans to implement such obligations.²⁴

¹⁸ See 47 C.F.R. § 54.207(c), (d).

¹⁹ See 47 C.F.R. § 54.207(c)(3), (d)(2).

²⁰ *Lifeline and Link Up NPRM*, 26 FCC Rcd at 2864, para. 309 ("Should the Commission consider forbearing from this process for a class of carriers, and if so, what rules and conditions would be necessary to protect the public interest?"). No comments were received on the issue of forbearance from the redefinition requirement in this proceeding. We note that the Commission has also forbore from applying the service area redefinition process to conditional ETC designations for the limited purpose of participating in the Mobility Fund Phase I auction. See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Second Report and Order, 27 FCC Rcd 7856 (2012).

²¹ See *Lifeline and Link Up NPRM*, 26 FCC Rcd at 2864, para. 309.

²² Specifically, section 10(a) provides that the Commission shall forbear from applying such provision or regulation if the Commission determines that:

- (1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;
- (2) enforcement of such regulation or provision is not necessary for the protection of consumers; and
- (3) forbearance from applying such provision or regulation is consistent with the public interest.

47 U.S.C. § 160(a).

²³ *Telecommunications Carriers Eligible for Universal Service Support; NTCH, Inc. Petition for Forbearance from 47 U.S.C. § 214(e)(5) and 47 C.F.R. § 54.207(b); Cricket Communications, Inc. Petition for Forbearance*, WC Docket No. 09-197, Order, 26 FCC Rcd 13723 (2011) (*Cricket and NTCH Forbearance Order*).

²⁴ See *id.* at 13730-32, paras. 15-17. Cricket and NTCH are not eligible for either Link Up support or high-cost support. See *Telecommunications Carriers Eligible for Universal Service Support et al.*, WC Docket No. 09-197, Order, 27 FCC Rcd 6263, 6272, para. 33 (Wireline Comp. Bur. 2012) (re. Cricket); *Telecommunications Carriers Eligible for Universal Service Support et al.*, WC Docket No. 09-197, Order, 27 FCC Rcd 9495, 9504, para. 32 (Wireline Comp. Bur. 2012) (re. NTCH).

III. DISCUSSION

8. We conclude that forbearing from the conformance requirement of section 214(e)(5) of the Act and section 54.207(b) of the Commission's rules is appropriate and in the public interest for carriers seeking designation, or already designated, as Lifeline-only ETCs.²⁵ For the reasons explained below, we find that all three prongs of section 10(a) are satisfied. As a result, if a commission designates a carrier as a limited, Lifeline-only ETC in part of a rural service area, that designation will not require redefinition of the rural telephone company's service area. Because forbearance would apply only to designations for the purpose of becoming a limited ETC to participate in the Commission's Lifeline program, we examine the conformance requirement in light of the statutory goal of providing low-income consumers with access to telecommunications services as it relates to the Commission's Lifeline program.²⁶

9. Given that designating authorities may have already designated carriers as Lifeline-only ETCs in partial rural service areas without seeking redefinition, the Commission will not enforce the conformance requirement for those previously granted ETC designations. Such ETCs need not amend their service area and may rely on this forbearance to continue serving partial rural service areas. If the designating authority required Lifeline-only ETCs to follow the conformance requirement in its designation, the ETCs must abide by its designation order. We emphasize, however, that if any carrier seeks designation to be an ETC to receive high-cost support in part of a service area served by a rural telephone company, we do not forbear from the redefinition process that is required by the Act.

10. *Just and Reasonable.* Section 10(a)(1) of the Act requires that we consider whether enforcement of the provisions from which forbearance is sought is necessary to ensure that the charges, practices, classifications, or regulations by, for, or in connection with the carriers or services at issue are just and reasonable and not unjustly or unreasonably discriminatory.²⁷ We conclude that compliance with the conformance requirement of section 214(e)(5) of the Act and section 54.207(b) of the Commission's rules is not necessary to ensure that a Lifeline-only carrier's charges, practices, and classifications are just and reasonable and not unjustly or unreasonably discriminatory where it is providing Lifeline service only.²⁸ Lifeline support, designed to reduce the monthly cost of telecommunications services for eligible consumers, is distributed on a per-subscriber basis and is directly reflected in the price that the eligible subscriber pays.²⁹ As discussed below, we find that the factors traditionally taken into account by the Commission and the states when reviewing a potential redefinition of a rural service area pursuant to section 214(e)(5) of the Act do not apply in the context of conditionally designating ETCs in areas eligible for Lifeline support.³⁰ Furthermore, forbearance from the service area conformance requirement would not prevent the Commission from enforcing sections 201 or 202 of the Act, which require all carriers to charge just, reasonable, and non-discriminatory rates.³¹ The Lifeline offerings of carriers subject to this forbearance will compete, at a minimum, with the Lifeline offerings of the incumbent

²⁵ See 47 U.S.C. § 214(e)(5); 47 C.F.R. § 54.207. See also *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13727-30, paras. 10-14.

²⁶ 47 U.S.C. § 254(b)(3).

²⁷ 47 U.S.C. § 160(a)(1).

²⁸ A provision or regulation is "necessary" if there is a strong connection between the requirement and regulatory goal. See *CTIA v. FCC*, 330 F.3d 502, 512 (D.C. Cir. 2003).

²⁹ 47 C.F.R. §§ 54.401, 54.403, 54.407.

³⁰ See *infra* paras. 11-13 (finding that service area conformance in these limited circumstances is not essential to protect the ability of rural telephone companies to continue to provide service nor will forbearance harm competitive market conditions).

³¹ See 47 U.S.C. §§ 201, 202.

wireline carrier, as well as other wireline and wireless providers, in any given geographic area.³² We also expect that this competition will spur innovation among carriers in their Lifeline offerings, expanding the choice of Lifeline products for eligible consumers.³³ The resulting competition is likely to help ensure just, reasonable, and nondiscriminatory offerings of services. For these reasons, we find that the first prong of section 10(a) is met.

11. *Consumer Protection.* Section 10(a)(2) requires that we consider whether applying the conformance requirement to a voice service provider that has previously received designation, or will seek a Lifeline-only ETC designation through a pending designation request or at some time in the future, is necessary for the protection of consumers. Carriers designated as Lifeline-only ETCs offer Lifeline-eligible consumers an additional choice of providers for discounted telecommunications services. Forbearance from the conformance requirement for Lifeline-only support may provide additional competitive choices to many low-income consumers who cannot afford non-discounted offerings.³⁴ Moreover, there is no evidence that forbearance from the conformance requirement for the limited purpose of being a Lifeline-only ETC would harm consumers currently served by the rural telephone companies in the relevant service areas. Finally, every ETC, including any carrier receiving Lifeline-only support, must certify that it will satisfy applicable consumer protection and service quality standards in its service area.³⁵ For these reasons, we find that the second prong of section 10(a) is met.

12. *Public Interest.* Section 10(a)(3) requires that we consider whether forbearing from the conformance requirement to carriers that have previously received designation, have pending designation requests or will seek ETC designation for Lifeline support only in the future is in the public interest. We find that forbearance from the service area conformance requirement in these limited circumstances will promote competitive market conditions for the Lifeline program.³⁶ Requiring carriers to conform their service areas to those of the rural carriers in the states they seek to participate only in the Lifeline program could result in numerous redefinition proceedings, which could delay their entry into those markets, make it more difficult to market to potential Lifeline consumers on a statewide basis, and deprive low-income consumers in areas where the incumbent wireline provider is a rural telephone company of an additional choice of service provider.³⁷ For example, carriers state that the redefinition process for Lifeline-only offerings may take years to resolve and, as such, wastes resources of both carriers and regulators.³⁸

³² See 47 C.F.R. § 54.405(a)–(c) (requiring ETCs to offer and publicize the availability of Lifeline services).

³³ See, e.g., *Federal-State Joint Board on Universal Service; Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i)*, CC Docket No. 96-45, Order, 20 FCC Rcd 15095, 15101, para. 13 (2005); *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A); Petition for Designation as an Eligible Telecommunications Carrier in the State of New York; Petition for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia; Petition for Designation as an Eligible Telecommunications Carrier in the State of Pennsylvania; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of North Carolina; Petition for Limited Designation as an Eligible Telecommunications Carrier in the State of Tennessee*, CC Docket No. 96-45, Order, 24 FCC Rcd 3381, 3389, para. 19 (2009); *Federal-State Joint Board on Universal Service; Telecommunications Carriers Eligible for Universal Service Support; i-wireless, LLC Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, CC Docket No. 96-45, WC Docket No. 09-197, Order, 25 FCC Rcd 8784, 8787, para. 9 (2010); *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13728, para. 10.

³⁴ See *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13728, para. 11.

³⁵ 47 C.F.R. §§ 54.202(a)(3), 54.422(b)(3) (requiring federally designated Lifeline-only ETCs to certify they comply with applicable consumer protection rules).

³⁶ See 47 U.S.C. §§ 160(b), 254(b). See also *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13728, para. 11.

³⁷ See *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13729, para. 12.

³⁸ Cox Petition at 4; *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13729, para. 12.

Additionally, to avoid disruption of service to low-income consumers served by existing Lifeline-only ETCs that were previously designated by state designating authorities or the Commission that defined carriers' service areas as part of a rural service area in its original ETC designation, those ETCs need not amend their service areas and may rely on this forbearance to continue serving partial rural service areas.³⁹ We find that applying the conformance requirement to Lifeline-only ETCs would not be in the public interest when balanced against the benefits of maintaining or introducing a competitive alternative Lifeline provider to low-income consumers.⁴⁰

13. We disagree with assertions that granting forbearance from the conformance requirement for Lifeline-only ETC designation will have a detrimental effect on rural telephone companies.⁴¹ In response to the Cox Petition, the Atlas Telephone Company expresses concerns that granting forbearance from the conformance requirement and redefinition process could cause a rural telephone company to suffer the same adverse effects from losing customers to other Lifeline providers, as observed under traditional creamskimming analysis, specifically arguing that as a rural telephone company's low-income consumers migrate to other Lifeline providers, the number of lines served by the rural telephone company declines, causing its cost per line to increase.⁴² As the Commission previously explained, the amount of Lifeline support is not tied to the cost of serving an area.⁴³ Rather, Lifeline support is a fixed, per-line amount nationwide, and ETCs are required to pass through the Lifeline support they receive to the benefit of their subscribers.⁴⁴ Any creamskimming concerns in an area of a rural telephone company are not relevant in considering the designation of a Lifeline-only ETC. Creamskimming is not a public-interest consideration in the Lifeline context, whether the competing carrier is offering wireline or wireless service.⁴⁵ We find that the Act contains safeguards to address any concerns raised by Atlas or any other rural telephone company that questions whether the designation of a carrier as a Lifeline-only ETC is in the public interest. The Act already requires designating commissions to affirmatively determine that designating a carrier as an ETC within a rural service area is in the public interest and that determination is not affected by this grant of forbearance.⁴⁶ As a result, any concerns raised by a rural telephone company will be evaluated by the designating authority when considering designating a limited, Lifeline-only ETC.

14. We also disagree with the argument that granting forbearance from the conformance requirement will eliminate the role of states in ETC designations and redefinition.⁴⁷ Forbearance in these limited circumstances merely removes the conformance requirement for previously designated ETCs receiving Lifeline-only support and carriers with pending or future ETC designation requests for Lifeline-

³⁹ See Virgin Mobile Petition at 6; i-wireless Petition at 7-8; Q Link Petition at 7.

⁴⁰ See *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13729, para. 12.

⁴¹ See generally Comments of Atlas Telephone Company et al., WC Docket 09-197 (filed Sept. 26, 2012) (Atlas Comments).

⁴² See *id.* at 9; see also Reply Comments of the South Carolina Telephone Coalition, WC Docket 09-197 (filed Jan. 14, 2013) (South Carolina Coalition Comments) (claiming that TWC's Petition will increase the likelihood of cream-skimming in rural telephone areas).

⁴³ See *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13729, para. 13.

⁴⁴ See 47 C.F.R. §§ 54.401, 54.407, 54.504; see also *supra* n.17 (explaining how a carrier "cream skims" when it serves only those consumers that are least expensive to serve).

⁴⁵ See *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13729, para. 13; see also TWC Reply Comments, WC Docket No. 09-197, at 12-13 (filed January 14, 2013) (TWC Reply Comments) (rebutting the Telecommunications Association of Maine Comments by stating that nothing about the *Cricket and NTCH Forbearance Order* turned on whether the Lifeline-only ETC was offering wireline or wireless services).

⁴⁶ See 47 U.S.C. § 214(e)(2).

⁴⁷ See Atlas Comments at 1-8.

only support, so that states, which have jurisdiction over most ETCs, may now designate Lifeline-only ETCs in a portion of a rural service area without requiring redefinition of that rural service area. State commissions are still required to consider the public interest, convenience and necessity of designating carriers as a competitive ETC in a rural area already served by a rural telephone company.⁴⁸ Our decision here to grant forbearance for Lifeline-only designations does not disturb the roles of state commissions and this Commission in the ETC designation process or in the redefinition process in other circumstances when redefinition is required.⁴⁹

15. For pending and future Lifeline-only designation requests, carriers' service area will no longer be required to conform to the service area of the rural telephone companies serving the same area. The Commission recognizes all of the important issues raised by commenters in determining whether a particular carrier has met the requirements to become an ETC for the limited purpose of receiving Lifeline support, all of which will be addressed by the designating authority when a carrier submits an application requesting designation.⁵⁰ Designating authorities will continue to make an independent assessment as to whether designating a carrier as an ETC within a rural service area is in the public interest.⁵¹

16. Our decision here to forbear from the service area conformance requirement does not affect the findings of any prior ETC designation. Virgin Mobile, i-wireless, Q Link and Global Connection seek forbearance with respect to those areas previously designated by state designating agencies and the Commission.⁵² For previously designated Lifeline-only ETCs serving partial rural areas, the designating authorities have already determined that designating such carriers as ETCs is in the public interest. Any carrier that has already been designated as an ETC must comply with the obligations of their ETC designation orders.

17. The Commission has made clear its commitment to improve accountability for providers receiving universal service support in its continued effort to fight waste, fraud, and abuse.⁵³ In the Commission's prior grant of forbearance from the service area conformance requirement, it conditioned forbearance on the carriers submitting, and having the Wireline Competition Bureau approve, a plan to comply with several obligations imposed in that order before it could begin providing service in accordance with its grant of forbearance.⁵⁴ The Commission has since adopted numerous conditions in

⁴⁸ 47 U.S.C. § 214(e)(2); 47 C.F.R. § 54.201(c).

⁴⁹ The redefinition process is still required for ETCs to receive federal universal service high-cost support and nothing in this Order alters the redefinition process for ETCs seeking federal universal service high-cost support.

⁵⁰ See TWC Reply Comments at 4-6 (rebutting New York State Telecommunications Association, Inc. (NYSTA) Comments regarding the timing of the forbearance request by explaining how grant of this forbearance still preserves the role of state commissions' authority in designating ETCs). Some commenters have also raised concerns with TWC's forbearance petition for future designation requests because they claim it is unclear whether TWC's services will be classified as "telecommunications services," whether its Lifeline rates are just and reasonable, and whether TWC is required to hold out all subsidiaries that will become ETCs at some point in the future, which are issues that will be addressed by the designating authority. See, e.g., National Telecommunications Cooperative Association Comments, WC Docket No. 09-197, at 2-4 (filed Jan. 14, 2013); South Carolina Coalition Comments at 2-4; Comments of NYSTA, WC Docket No. 09-197, at 3-8 (filed Dec. 31, 2012). But whether TWC qualifies as a Lifeline-only ETC will be determined by the designating commission, and need not be decided here. All that is before us is the question of whether to forbear from applying the conformance requirement to Lifeline-only ETCs. Because section 10 expressly applies to telecommunications carriers, see 47 U.S.C. § 160(a), and ETCs are by definition telecommunications carriers, see 47 U.S.C. § 214(e)(1); § 153(51), we may and do conclude that section 10's forbearance shall apply to a subset of ETCs, i.e., Lifeline-only ETCs.

⁵¹ See 47 U.S.C. § 214(e)(1), (2).

⁵² See Virgin Mobile Petition at 1; i-wireless Petition at 1-2; Q Link Petition at 1; Global Connection Petition at 1-2.

⁵³ *Lifeline Reform Order*, 27 FCC Rcd at 6659-60, paras. 2-3.

⁵⁴ See *Cricket and NTCH Forbearance Order*, 26 FCC Rcd at 13730-32, paras. 15-17.

the *Lifeline Reform Order* to reduce waste, fraud and abuse in the Lifeline program, and thus, eliminated the need to impose additional conditions in the context of forbearance from the service area conformance requirement.⁵⁵ Although carriers may now be designated a Lifeline-only ETC by either a state commission or this Commission in partial rural service areas, no carrier seeking to avail itself of this limited forbearance grant may be designated in a part of a rural service area to receive federal high-cost support without first seeking redefinition of the underlying rural telephone company's study area.

18. For the reasons stated herein, we find that the statutory requirements for forbearance pursuant to section 10 of the Act are met and that granting blanket forbearance from the conformance requirement for Lifeline-only ETC designations will further the statutory goals of providing low-income subscribers access to telecommunications and emergency services and promoting more competitive options for low-income consumers while protecting the universal service fund against waste, fraud, and abuse. We also note that state commissions and this Commission are still required to make an independent assessment as to whether granting a carrier ETC designation is in the public interest before including any part of a rural service area in such carrier's service area.⁵⁶ Furthermore, forbearance from the conformance requirement stated herein does not apply if any carrier seeks ETC designation to receive high-cost support; in that instance, such carrier must conform its service area to that of the rural telephone company or else seek redefinition of the service area pursuant to section 54.207 of the Commission's rules.

IV. PROCEDURAL MATTERS

A. Paperwork Reduction Act

19. The Memorandum Opinion and Order does not contain new or modified information collection(s) subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002.⁵⁷

B. Final Regulatory Flexibility Act Certification

20. The Regulatory Flexibility Act ("RFA")⁵⁸ requires that agencies prepare a regulatory flexibility analysis for notice-and-comment rulemaking proceedings, unless the agency certifies that "the rule will not have a significant economic impact on a substantial number of small entities."⁵⁹ The RFA generally defines "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction."⁶⁰ In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act.⁶¹ A small business

⁵⁵ We note that carriers seeking to avail themselves of the blanket forbearance from the facilities requirement must continue to file a compliance plan with, and have it approved by, the Wireline Competition Bureau before a state or the Commission may act on an ETC designation petition. *Lifeline Reform Order*, 27 FCC Rcd at 6816-17, paras. 379-80.

⁵⁶ 47 U.S.C. § 214(e)(2), (e)(6).

⁵⁷ Public Law 107-198, *see* 44 U.S.C. § 3506(c)(4).

⁵⁸ *See* 5 U.S.C. § 601 *et seq.* The RFA has been amended by the Small Business Regulatory Enforcement Fairness Act of 1996, Pub. L. No. 104-121, Title II, 110 Stat. 857.

⁵⁹ 5 U.S.C. § 605(b).

⁶⁰ 5 U.S.C. § 601(6).

⁶¹ 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in the Small Business Act, 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency, after consultation with the Office of Advocacy of the Small Business Administration and after opportunity

concern is one which (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).⁶²

21. We hereby certify that the forbearance decision in this Memorandum Opinion and Order will not have a significant economic impact on a substantial number of small entities. In this Memorandum Opinion and Order, the Commission eases the regulatory compliance burden on Lifeline-only ETCs by forbearing from the requirement that the service area of a Lifeline-only ETC conform to the service area of any rural telephone company serving the same area. This Memorandum Opinion and Order does not modify any of our reporting requirements. The Commission will send a copy of this Memorandum Opinion and Order, including this certification, to the Chief Counsel for Advocacy of the SBA.⁶³ In addition, the Memorandum Opinion and Order (or a summary thereof) and certification will be published in the Federal Register.⁶⁴

C. Congressional Review Act

22. The Commission will send a copy of this Memorandum Opinion and Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act.⁶⁵

V. ORDERING CLAUSES

23. IT IS ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 201, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 160, 201, 214, 254, we FORBEAR from applying the conformance requirement of section 214(e)(5) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(e)(5), and section 54.207(b) of the Commission's rules, 47 C.F.R. § 54.207(b), to the extent discussed herein.

24. IT IS FURTHER ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 10, 201, 214, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 160, 201, 214, 254, the petitions for forbearance filed by VIRGIN MOBILE USA, L.P., COX COMMUNICATIONS, INC., TIME WARNER CABLE, INC., I-WIRELESS, LLC, Q LINK WIRELESS, LLC and GLOBAL CONNECTION INC. OF AMERICA ARE GRANTED to the extent discussed herein, effective upon release.

25. IT IS FURTHER ORDERED that, except as provided in paragraph 24 above, this Order SHALL BE EFFECTIVE 30 days after publication in the Federal Register.

FEDERAL COMMUNICATIONS COMMISSION

Marlene H. Dortch
Secretary

(Continued from previous page) _____

for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition(s) in the Federal Register.”

⁶² Small Business Act, 15 U.S.C. § 632.

⁶³ *Id.*

⁶⁴ *Id.*

⁶⁵ *See* 5 U.S.C. § 801(a)(1)(A).

APPENDIX A**List of Commenters**

Comment Sought on Cox Communications, Inc.'s Petition For Forbearance From Eligible Telecommunications Carrier Service Area Requirement, WC Docket No. 09-197, Public Notice, 27 FCC Rcd 10246 (Wireline Comp. Bur. 2012)

Commenter

Atlas Telephone Company, Et Al.

Abbreviation

Atlas Telephone

Reply Commenter

Cox Communications, Inc.

Cox

APPENDIX B**List of Commenters**

Comment Sought on Time Warner Cable, Inc.'s Petition For Forbearance From Eligible Telecommunications Carrier Service Area Requirement, WC Docket No. 09-197, Public Notice, 27 FCC Rcd 14915 (Wireline Comp. Bur. 2012)

Commenter

New York State Telecommunications Association, Inc.
Telecommunications Association of Maine

Abbreviation

NYSTA
TAM

Reply Commenter

National Telecommunications Cooperative Association
South Carolina Telephone Coalition
Telecommunications Association of Maine
Time Warner Cable, Inc.

Abbreviation

NTCA
South Carolina Coalition
TAM
TWC

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

EXHIBIT 4

CURRENT OFFICERS

CURRENT OFFICERS

Time Warner Cable Information Services (South Carolina), LLC (“TWCIS(SC)”) will rely on the individuals identified in the following biographies for technical and managerial support in providing competitive service in California. Through arrangements with its parent Time Warner Cable Inc. (“Time Warner Cable”), TWCIS(SC) will have sufficient managerial and technical capability to ensure that Applicant can provide the services for which it seeks certification. The management teams at Time Warner Cable include individuals with extensive experience in successfully developing and operating communications businesses. Accordingly, Time Warner Cable possesses the internal managerial resources to support TWCIS(SC)’s operations. Management’s collective wealth of expertise in telecommunications makes Time Warner Cable’s management team well-qualified to construct and operate facilities on behalf of TWCIS(SC). The officers and management of Time Warner Cable also have the technical expertise, developed through designing, constructing, and operating telecommunications networks, to provide the proposed services. Further information concerning Directors and Officers of Time Warner Cable Inc., the ultimate corporate parent, can be found at <http://www.timewarnercable.com>.

Philip G. Meeks

Executive Vice President & Chief Operating Officer, Business Services, Time Warner Cable and President, TWCIS(SC)

Philip G. Meeks is Executive Vice President and Chief Operating Officer for Business Services at Time Warner Cable. Mr. Meeks oversees all aspects of operations, sales and marketing for the company’s rapidly growing business services unit, which serves more than 570,000 business customers and accounts for approximately \$2 billion in annual revenue. Mr. Meeks most recently served as Senior Vice President of Cox Business, where he led 3,500 employees in making it the fastest growing business unit in the enterprise. Before joining Cox in 2008, he was the co-founder and lead executive for a start-up company focused on enhancing the supply chain between technology vendors and value added resellers in the Internet security, data storage and VoIP markets. Mr. Meeks served in various strategy, sales and account management roles during 20 years of service at MCI Telecommunications, including Senior Vice President of Sales Operations and Senior Vice President of Strategic Ventures and Alliances. He started his career at AT&T Information Systems/Southern Bell in 1979 and progressed through various sales and marketing leadership roles. Mr. Meeks is a graduate of the University of Georgia, where he earned a bachelor’s degree in Marketing and Journalism. He also completed executive education programs at both the Massachusetts Institute of Technology and the University of Virginia. Mr. Meeks may be contacted at 60 Columbus Circle, New York, NY 10023, (212) 364-8205 (phone), or at phil.meeks@twcable.com.

David Flessas

Senior Vice President, Technical Operations, Time Warner Cable and TWCIS(SC)

David Flessas is the Senior Vice President, Technical Operations at Time Warner Cable and Time Warner Cable Business LLC. In that role he is responsible for operations planning, methods and procedures, the Global Network Operations Center in Herndon, VA and OSS development. He joined Time Warner Cable in October of 2008 after 17 years at Sprint in various operations and engineering roles, including capital planning, customer service, installation and repair, engineering standards, broadband local networks and wireline and wireless network management. He started his career in 1983 in regulatory and finance management at Wisconsin Telephone. Mr. Flessas earned a Bachelor of Science degree in Economics from the University of Wisconsin and an MBA from Marquette University. Mr. Flessas may be contacted at 13820 Sunrise Valley Drive, Herndon, VA 20171, (703) 345-3639 (phone), (703) 345-3505 (fax), or at David.Flessas@twcable.com.

David A. Christman

Senior Vice President, Deputy General Counsel, Chief Counsel, Corporate and Assistant Secretary, Time Warner Cable and Senior Vice President and Assistant Secretary, TWCIS(SC)

David Christman is the Senior Vice President, Deputy General Counsel, Chief Counsel, Corporate and Assistant Secretary of Time Warner Cable and the Senior Vice President & Assistant Secretary of Time

Warner Cable Business LLC. He oversees Time Warner Cable's corporate legal matters, including: public company and board matters (e.g., governance, SEC reporting, NYSE compliance); corporate transactions (e.g., M&A, joint ventures and similar arrangements); treasury matters (e.g., bond offerings and bank loans); and commercial transactions (e.g., hardware and software purchasing, real estate dealings, commercial services transactions, backhaul, etc.). Mr. Christman joined Time Warner Cable in 1998, became the company's chief corporate lawyer in 2003 and was promoted to his current position in 2006. Prior to joining Time Warner Cable, he spent five years with the New York and London offices of Cleary, Gottlieb, Steen & Hamilton. Prior to practicing law, Mr. Christman worked in the film industry, assisting in the production of commercials and music videos. Mr. Christman received his J.D., *magna cum laude* (1993), and his B.A., *summa cum laude* (1986), from New York University. Mr. Christman may be contacted at 60 Columbus Circle, New York, NY 10023, (212) 364-8446 (phone), or at David.Christman@twcable.com.

Mark A. Schichtel

Senior Vice President, Tax, Time Warner Cable and TWCIS(SC)

Mark Schichtel is the Senior Vice President, Tax of Time Warner Cable and Time Warner Cable Business LLC. He is responsible for all areas of taxation, including the tax aspects of mergers and acquisitions, planning, policy, litigation, risk management, financings, benefits, financial reporting and compliance. He has an extensive background in media, entertainment and communications. Mr. Schichtel joined the Company in 2005 from Time Warner Inc., where he was responsible for the tax aspects of mergers and acquisitions and other large transactions. Mr. Schichtel also worked on Time Warner matters at Paul, Weiss before joining Time Warner. Earlier in his career, he worked as a Tax Manager in PwC's mergers and acquisitions group and as a Tax Associate at Weil, Gotshal. During his third year of law school, Mark interned at the U.S. Attorney's Office (Civil Division), E. District of PA, Philadelphia. Prior to law school, he worked in mergers and acquisitions and large corporate lending in Manufacturers Hanover's (now part of JPMorgan Chase) New York and Chicago offices. He earned a J.D. from the University of Pennsylvania Law School and an A.B. from the University of Chicago (political science). Mr. Schichtel may be contacted at 7910 Crescent Executive Drive, Charlotte, NC 28217, (704) 731-3930 (phone), or at Mark.Schichtel@twcable.com.

Julie P. Laine

Group Vice President, Regulatory, Time Warner Cable & Group Vice President and Secretary, TWCIS(SC)

Julie Laine is the Group Vice President, Regulatory, of Time Warner Cable. Ms. Laine is also Group Vice President and Secretary of Time Warner Cable Business LLC. After practicing communications law in private practice, Ms. Laine served as an Attorney Advisor in the Common Carrier Bureau of the Federal Communications Commission, where she worked on issues relating to local telephone competition, the deployment of broadband services, Bell Operating Company section 271 applications, and communications and media mergers. Ms. Laine has a B.A. degree from the University of Pennsylvania and a law degree from the College of William and Mary. Ms. Laine may be contacted at 60 Columbus Circle, New York, NY 10023, (212) 364-8482 (phone), or at Julie.Laine@twcable.com.

Ellen Alderdice

Assistant Treasurer, Time Warner Cable and TWCIS(SC)

Ellen Alderdice is the Assistant Treasurer of Time Warner Cable and Time Warner Cable Business LLC. She is responsible for identifying and implementing planning strategies to minimize the company's tax liability, integrating transactions to satisfy business/financial objectives in the most tax-efficient manner, and managing federal and state income tax controversy. In addition, ensuring planning and transactions are properly reflected in the financial statements and tax returns. Before joining Time Warner Cable, Ms. Alderdice was the Vice President of Tax Operations at Viacom Inc. and, prior to that, a Senior Manager with PricewaterhouseCoopers' Entertainment and Media Tax Services in their New York City office. She earned a B.S.B.A. from Boston University, is a CPA, a member of the AICPA, Tax Executives Institute, the Treasurer of the Broadband Tax Institute and a speaker at various tax conferences. She may be contacted at 60 Columbus Circle, New York, NY 10023, (212) 364-8200, or Ellen.Alderdice@twcable.com.

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE:

Application of Time Warner Cable
Information Services (South Carolina), LLC,
doing business as Time Warner Cable, for
Designation as an Eligible
Telecommunications Carrier for the Purpose
of Offering Lifeline Service

EXHIBIT 5

SAMPLE ENROLLMENT FORM



Lifeline Phone Credit South Carolina

Lifeline is a federal government assistance program that grants eligible individuals a credit each month on their residential phone bill. You may qualify for a credit toward your monthly Time Warner Cable Home Phone telephone service if you or a dependent receive low income benefits under certain programs or if your total household income is below 150% of the federal poverty guidelines. **You must have (or sign-up for) Time Warner Cable Home Phone service PRIOR to receiving this credit.** Time Warner Cable's Lifeline Phone Credit is only available for Time Warner Cable Home Phone service; whether in bundles or as a stand-alone product.

To demonstrate that you qualify for the Lifeline Phone Credit, complete all sections of this form in blue or black ink and submit the required Proof of Eligibility. Please allow up to ten (10) business days for application processing. For questions on the application please call 1-800-892-2253. For ordering additional services with Time Warner Cable, please call 1-855-364-7799.

Applicant Information (TWC Account Holder)

Time Warner Cable Account Number

Home Phone Telephone Number

Last Name

First Name

Middle Initial

Street Address (No PO Box)

City

State

Zip Code

Alternate Telephone Number

Email Address

Date of Birth (MM/DD/YYYY)

Last Four Digits of Social Security Number

Lifeline Credit Qualification Worksheet

To apply for the Lifeline Phone Credit, you or a household member (dependent, spouse, or individual that resides with you at the same address and that shares income and expenses), must participate in a qualifying program or meet income-based criteria. Complete this worksheet to determine if you qualify:

Method 1: Indicate household member enrolled in below program (check only one):

☐ Self

☐ Other: Enter full name of household member: _____

Relationship to self: _____

Their Date of Birth (MM/DD/YYYY):

Their Last Four Digits of Social Security Number

Check the box of ONLY ONE program below. If no, continue to Method 2 below.

<input type="checkbox"/>	Medicaid	<input type="checkbox"/>	HEAP/LIHEAP (Low Income Home Energy Assistance Program)
<input type="checkbox"/>	Food Stamps/SNAP (Supplemental Nutrition Assistance Program)	<input type="checkbox"/>	TANF (Temporary Assistance for Needy Families)
<input type="checkbox"/>	SSI (Supplemental Security Income)	<input type="checkbox"/>	NSLP (National School Lunch Program) – Free Lunch Program Only
<input type="checkbox"/>	Federal Public Housing Assistance (Section 8)	<input type="checkbox"/>	Health Benefit Coverage under Child Health Plan (CHIP) under Chapter 62 support

You must provide Proof of Eligibility for Method 1. Check ONE box showing which proof will be submitted with this application. **If you are entering a Benefit Card number, be sure to enter the 'ID number' and NOT the 'Card number'.**

<input type="checkbox"/>	Benefit Card. Enter ID#: _____	<input type="checkbox"/>	Notice of Letter of Participation in qualifying program
<input type="checkbox"/>	Official document demonstrating that applicant, one or more of applicant's dependents or applicant's household receives benefits from a qualifying program	<input type="checkbox"/>	Statement of benefits from qualifying program

If you have checked a qualifying program above and can show Proof of Eligibility as described above, you may continue to the Legal Requirements section below. If you did not qualify using Method 1 above, determine if you are eligible by using Method 2:

Method 2: If you do not qualify using Method 1 above, use the chart below to determine if you are eligible based on income level. Review the chart and, using the **total number of members** in your household, determine if your total annual income level is at or below the level shown. Check the box corresponding to your household and income level. **(A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses).**

<input type="checkbox"/>	Number in Household	Annual Income
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<input type="checkbox"/>	Number in Household	Annual Income
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1	\$17,235 or less
2	\$23,265 or less
3	\$29,295 or less
4	\$35,325 or less
5	\$41,355 or less

6	\$47,385 or less
7	\$53,415 or less
8	\$59,455 or less
More than 8	\$59,455 or less, plus \$6,030 for each additional member

If you meet the income eligibility requirements above, you may qualify for the Lifeline Phone Credit. To apply using Method 2, you must provide **THE MOST CURRENT** supporting documentation of **your total annual income level**. You may black out Social Security Number(s) prior to submitting. Note: If you provide documentation that does not cover a full year (such as current paycheck stubs), you must submit three (3) consecutive months' worth of the same type of document from the previous twelve months.

State or Federal Tax Return (submit page listing income and signature page only)	W2
Income Statements from Employer or Paycheck Stubs (most current 3 current months)	Veterans Administration Benefits Statement
Retirement/Pension Benefit Statements	Unemployment OR Workers Compensation Benefits Statements
Social Security Benefits Statements	Other (Divorce Decree or Child Support Documents)

Legal Requirements

Please acknowledge your agreement by initialing every line below and signing the application. Note, this application cannot be accepted unless you initial each section.

Initial Below

	I understand that completion of this application does not constitute immediate approval for the Lifeline Phone Credit. I also understand that the credit will appear on the first full bill cycle AFTER application approval and I am obligated to pay all billed charges prior to that period.
	I authorize Time Warner Cable to access any records required to verify my statements herein and to confirm my eligibility for the Lifeline Phone Credit. I also authorize Time Warner Cable to release any records required for the administration of the Lifeline Phone Credit program, including to the Universal Service Administrative Company.
	I am head of household and no one at my residence receives landline or wireless Lifeline service from another provider. An example of another landline provider that may provide Lifeline service would be <i>AT&T, CenturyLink or Verizon</i> , and an example of another wireless provider that may provide Lifeline service would be <i>Alltel Wireless, T-Mobile, Assurance Wireless, or Safelink</i> .
	I understand that, by law, the Lifeline Phone Credit is only available for ONE RESIDENTIAL PHONE LINE PER HOUSEHOLD. ➤ A household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at the same address and share income and expenses. ➤ A household is not permitted to receive Lifeline benefits from multiple providers. ➤ Violation of the one per household limitation constitutes a violation of the rules and will result in de-enrollment from the program. ➤ My household will receive only one Lifeline service.
	I agree to notify Time Warner Cable immediately if I no longer meet the criteria for receiving the Lifeline Phone Credit (i.e. no longer meet the income-based or program-based criteria, receiving more than one Lifeline benefit, or another member of my household is also receiving a Lifeline benefit.)
	I understand that if I change my phone number, or transfer or move service, I will be required to re-apply for the Lifeline Phone Credit.
	I understand that the Lifeline Phone Credit is a non-transferable benefit and may not be transferred to any other person.
	I understand that I will be required to verify my continued eligibility for the Lifeline Phone Credit at any time and at least annually and that failure to do so will result in de-enrollment and termination of the Lifeline Phone Credit benefits.
	I understand that Lifeline Phone Credit is a federal benefit and willfully making false statements or providing false or fraudulent documents to obtain the benefit is punishable by law and can result in fines, imprisonment, de-enrollment or being barred from the program.

By signing below, I certify under penalty of perjury that the all information contained in this application is true and correct and that I meet the income-based or program-based eligibility criteria for the Lifeline Phone Credit.

Applicant Signature	
Print Name	
Date (MM/DD/YYYY)	

Submit Application

All Submissions Include: ✓ Completed and Signed Application ✓ Photocopy of program or income level	Submit at a Time Warner Cable Store: To find your nearest store, go to: http://www.twc.com/stores By Fax: TBD	Or By Mail: Attention: TBD
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Lifeline Phone Credit South Carolina

checked off in Method 1 or 2 in the
Qualification Worksheet

Do not send originals, they cannot be returned

Time Warner Cable Office Use Only

Submit Method: ☐ In Person ☐ Fax ☐ Mail ☐ Electronic

Company Representative noted above must verify each section by initialing below:

	Application complete and signed
	Current and accurate proof submitted
	Proof returned at front counter OR mailed proof shredded/destroyed
	Active account
	Home Phone order existing or pending on account
	Account noted with approval/denial (and reason)

Identify the Supporting Documentation Presented:

Method 1:

	Benefit Card. Enter ID #:		Notice of Letter of Participation in qualifying program
	Official document demonstrating that applicant, one or more of applicant's dependents or applicant's household receives benefits from a qualifying program		Statement of benefits from qualifying program

Method 2:

	State or Federal Tax Return (First page with signature only)		W2
	Income Statements from Employer or Paycheck Stubs		Veterans Administration Benefits Statement
	Retirement/Pension Benefit Statements		Unemployment OR Workers Compensation Benefits Statements
	Social Security Benefits Statements		Other (Divorce Decree or Child Support Documents)

Name on Proof: _____ Date Printed on Proof: (MM/DD/YYYY) _____

Description of Proof: _____

Application Processed by:

Company Representative Name (print)	
Company Representative Department	
Company Representative EID	
Date Approved/Denied (MM/DD/YYYY)	
Company Representative Signature: <i>I hereby attest that the supporting documentation was verified.</i>	

Application Status

	Approved
	Denied. <input type="checkbox"/> Proof Not Met <input type="checkbox"/> Does Not Meet Qualifications <input type="checkbox"/> Address Unserviceable <input type="checkbox"/> Refused Home Phone Service
	Other: _____
	Cancelled per customer request

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EXHIBIT 6

ADVERTISING MATERIALS

LIFELINE HOME PHONE CREDIT

What is Lifeline?

Lifeline is a government assistance program that grants eligible individuals a credit each month on their residential phone bill.

To qualify for Lifeline discounts, you must:

- ▶ Participate in a qualifying federal or state assistance program
– OR –
Meet income-based requirement
- ▶ Provide supporting documentation
- ▶ Currently have (or sign up for) Time Warner Cable Home Phone service PRIOR to receiving this credit

Note: By law, the Lifeline program is non-transferable and only available for one line per household.

Applications are available at this location or online at **twc.com/lifeline**.
Ask a customer service representative for more information.



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EXHIBIT 7

ADVERTISING AND OUTREACH PLAN

TWCIS(SC) TWO YEAR ADVERTISING AND OUTREACH PLAN FOR LIFELINE SERVICE

I. SUMMARY

As required by Federal Communications Commission (“FCC”) rule Section 54.405, and consistent with South Carolina Code of Regulations Section 103-690, TWCIS(SC) (together with its affiliated entities, collectively “TWC”) will advertise the availability of its Lifeline services in a manner designed to reach eligible consumers upon receipt of ETC designation in South Carolina. Pursuant to the FCC’s *Lifeline Reform Order*¹ TWC’s Lifeline marketing materials will explain in clear, easily understood language that: (i) the offering is a Lifeline service; (ii) that Lifeline is a government assistance program; (iii) the service is non-transferable; (iv) only eligible consumers may enroll in the program; and (v) the program is limited to one discount per household. Further, the materials will explain what documentation is necessary for enrollment and that consumers who willfully make false statements in order to obtain the benefit can be barred from the program and punished by fine or imprisonment. Pursuant to FCC rules, these materials include all print, audio, video, and web materials used to describe or enroll in the Lifeline service offering, including application and certification forms.

II. ADVERTISING AND OUTREACH

TWC currently offers a full range of local exchange services. Upon designation as an ETC in South Carolina, TWC will implement its Advertising and Outreach Plan by notifying its existing customers about the availability of the Lifeline program, the savings that eligible customers can anticipate, and the eligibility requirements for participation.

¹ *Lifeline and Link Up Reform and Modernization*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012) (“*Lifeline Reform Order*”).

TWC will advise new customers when they apply for service with TWC about the availability of Lifeline service, and will assist qualifying customers in enrolling in the Lifeline program. TWC will also use outreach materials and methods designed to reach households that currently do not have telephone service and will develop advertising materials for non-English speaking populations within its service area.

TWC will produce South Carolina-specific materials describing TWC's Lifeline program and will publicize the availability of its Lifeline service through the following marketing channels: (i) newspaper, magazine and other print advertisements; (ii) direct marketing; and (iii) the Internet. TWC will also conduct outreach efforts in coordination with governmental agencies and other organizations that administer relevant governmental assistance programs and cater to those likely to qualify for support. These may include social service agencies, community centers, United Way, and others.

The Lifeline advertising materials will: (i) include detailed information about TWC's Lifeline program and eligibility requirements; and (ii) describe the enrollment process that a customer must complete prior to receiving the Lifeline discount. TWC, in its marketing materials, will reinforce the limitation of one Lifeline line per household. TWC personnel will explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy. The following statement will appear in a conspicuous place in bold font in an offsetting color to ensure it is not overlooked:

Note: By law, the Lifeline program is only available for one line per household.

III. QUALIFICATION AND ENROLLMENT

Consumers are eligible for Lifeline support if they meet the eligibility requirements established by the FCC and/or the Public Service Commission of South Carolina (“Commission”). In South Carolina, TWC subscribers will be eligible to receive Lifeline discounts, under the program based eligibility criteria, if they participate in one or more of the following programs:

- Supplemental Nutrition Assistance Program (“SNAP”) fka Food Stamps
- Section 8 Federal Public Housing Assistance
- Medicaid
- Supplemental Security Income
- Temporary Assistance for Needy Families
- National School Lunch Program’s free lunch program
- Low Income Home Energy Assistance Program

TWC will produce South Carolina-specific Lifeline application materials that comply with the uniform eligibility criteria established in the FCC’s *Lifeline Reform Order*, FCC and Commission rules and regulations. TWC will direct applicants to submit their completed applications to TWC for processing, along with any documentation necessary to establish an applicant’s eligibility to participate in the Lifeline program. Except in states in which applicants are enrolled through a designated state agency, TWC will enroll Lifeline customers through direct contacts between TWC personnel and those customers.

Each Lifeline customer must certify in writing to TWC, under penalty of perjury that he/she receives benefits under a qualifying program or meets the income criteria set forth by the FCC. The enrollment, eligibility and certification process is described in **Exhibit 2**, Appendix B, p. 3-8. A sample application which includes required disclosures is attached as **Exhibit 5** of the Application.

TWC personnel will take steps to ensure that applicants actually are eligible to participate in the Lifeline program. TWC will train a number of “Lifeline Representatives” to

assist Lifeline applicants in determining whether they are eligible to participate based on state-specific income-based and/or program-based criteria. These Lifeline Representatives will be made available to customers at TWC retail locations and/or in response to customer contacts through TWC's toll-free telephone number and website. All personnel who interact with actual or prospective customers will be trained to refer Lifeline-related matters to a Lifeline Representative.

TWC also will train specific personnel to process Lifeline applications and review required documentation to determine whether it satisfies state-specific eligibility requirements using a state-specific checklist. Such personnel will attest to this review of eligibility documentation on the applicable enrollment form. TWC will establish safeguards to prevent subscribers from receiving multiple Lifeline subsidies at the same address and individual subscribers from receiving more than one Lifeline discount. TWC's Lifeline Representatives will explain in prominent, plain, easily comprehensible language to all new and potential subscribers that no consumer is permitted to receive more than one Lifeline subsidy. Lifeline Representatives will emphasize the "one Lifeline line per household" restriction in its contacts with potential customers.

Furthermore, TWC's Lifeline application forms will require each applicant to provide his or her name and primary residential address. TWC will incorporate this information into its customer information database. Prior to claiming a Lifeline subsidy for a customer, TWC will check the address of each Lifeline applicant against its database to determine whether or not it is associated with a customer that already receives TWC Lifeline service, and will then review the application to ascertain whether the applicant is attempting to receive Lifeline-supported service for more than one line associated with the address. TWC will use available state-level databases

and the national database once it is operational to ensure that potential customers are not currently receiving a Lifeline service from any other carriers.

IV. VERIFICATION OF CONTINUED ELIGIBILITY

TWC will verify continued eligibility of enrolled participants as required by the FCC and the Commission. The annual verification procedures and additional measures to prevent waste, fraud and abuse are provided in **Exhibit 2**, Appendix B, p. 8-10.